
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): January 27, 2021

Customers Bancorp, Inc.
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

001-35542
(Commission File number)

27-2290659
(IRS Employer
Identification No.)

**701 Reading Avenue
West Reading PA 19611**
(Address of principal executive offices, including zip code)

(610) 933-2000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instructions A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(g) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbols</u>	<u>Name of Each Exchange on which Registered</u>
Voting Common Stock, par value \$1.00 per share	CUBI	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series C, par value \$1.00 per share	CUBI/PC	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D, par value \$1.00 per share	CUBI/PD	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series E, par value \$1.00 per share	CUBI/PE	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F, par value \$1.00 per share	CUBI/PF	New York Stock Exchange
5.375% Subordinated Notes due 2034	CUBB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On January 27, 2021, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter and year ended December 31, 2020, a copy of which is included as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

The Company has posted to its website a slide presentation which is attached hereto as Exhibit 99.2 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference.

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto and incorporated by reference into Item 2.02 and Item 7.01, respectively, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, such information, including the exhibits attached hereto, shall not be deemed incorporated by reference into any of the Company's reports or filings with the SEC, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing. The information in this Current Report on Form 8-K, including the exhibits attached hereto, shall not be deemed an admission as to the materiality of any information in this Current Report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
Exhibit 99.1	Press Release dated January 27, 2021
Exhibit 99.2	Slide presentation dated January 2021

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CUSTOMERS BANCORP, INC.

By: /s/ Carla A. Leibold

Name: Carla A. Leibold

Title: Executive Vice President - Chief Financial Officer

Date: January 27, 2021

EXHIBIT INDEX

Exhibit No.	Description
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99.2	Slide presentation dated January 2021



Customers Bancorp, Inc.
701 Reading Avenue
West Reading, PA 19611

Contacts:

Jay Sidhu, Chairman & CEO 610-935-8693
Richard Ehst, President & COO 610-917-3263

Carla Leibold, CFO 484-923-8802

Sam Sidhu, Head of Corporate Development 212-843-2485

Customers Bancorp Reports Record Fourth Quarter 2020 Results

Net Income of \$52.8 million, or \$1.65 Per Diluted Share,

up 121% over Fourth Quarter 2019

Record Full Year 2020 Net Income of \$118.5 million or \$3.74 Per Diluted Share, up 83% over Full Year 2019

Q4 2020: ROAA of 1.23%, ROCE of 24.26%, and Adjusted PTPP ROAA of 1.63%

- BankMobile divestiture completed on January 4, 2021. Holders of Customers Bancorp's common stock as of December 18, 2020 received an aggregate of 4.9 million shares of BM Technologies, Inc. common stock as special distribution valued at \$14.87 per share at the closing date of the transaction, or having a market value of approximately \$73 million.
- Q4 2020 core earnings (a non-GAAP measure) were \$52.6 million or \$1.65 per diluted share, up 121% over Q4 2019.
- Adjusted pre-tax pre-provision net income (a non-GAAP measure) for Q4 2020 was \$74.9 million, an increase of 67.6% over Q4 2019. Q4 2020 adjusted pre-tax pre-provision return on average assets (a non-GAAP measure) was 1.63%.
- Q4 2020 results include a net benefit to (or release from) provision for credit losses on loans and leases of \$2.9 million. At December 31, 2020, the coverage of credit loss reserves for loans and leases held for investment, excluding Paycheck Protection Program ("PPP") loans (a non-GAAP measure), was 1.90%, up from 0.77% at December 31, 2019.
- Non-performing assets were 0.39% of total assets at December 31, 2020 compared to 0.34% at September 30, 2020. Our allowance for credit losses equaled 204% of non-performing loans at December 31, 2020, down from 245% at September 30, 2020.
- Total revenues in Q4 2020 were up 3.9% linked-quarter and 41.9% on a year-over-year basis. Strong revenue growth was driven by an expansion in the net interest margin (excluding the impact of PPP loans (a non-GAAP measure), and the recognition of deferred origination fees and interest income on PPP loans).
- Net interest income for Q4 2020 grew \$15.5 million or 14.4% over the prior quarter and \$45.4 million or 58.4% over Q4 2019. Net interest income, excluding the impact of PPP loans (a non-GAAP measure), increased by \$10.3 million or 11.7% over Q3 2020 and \$20.1 million or 25.9% over Q4 2019.

- Q4 2020 net interest margin (a non-GAAP measure) increased 28 basis points from Q3 2020 to 2.78%, mostly due to PPP loans at an average yield of 2.45%. Q4 2020 net interest margin, excluding the impact of PPP loans (a non-GAAP measure), was 3.04%, an 18 basis point increase from Q3 2020 and a 15 basis point increase from Q4 2019.
- Total loans and leases increased \$5.8 billion or 57.5% year-over-year driven by PPP loans of \$4.6 billion and strong growth in short-term commercial loans to mortgage companies of \$1.4 billion. Total loans and leases, excluding PPP loans, increased \$1.2 billion or 12.1% year-over-year.
- Total deposits increased \$2.7 billion or 30.8% year-over-year, which included a \$2.2 billion or 83.9% increase in demand deposits. The total cost of deposits dropped to 0.58% in Q4 2020, a decline of 107 basis points from 1.65% in the year-ago quarter.
- Total deferments declined to \$218.5 million or 2.0% of total loans and leases excluding PPP loans (a non-GAAP measure) at December 31, 2020, down from \$750.5 million or 7.3% of total loans and leases excluding PPP loans (a non-GAAP measure) at July 24, 2020.
- Commercial criticized loans as a percent of total loans and leases, excluding PPP loans (a non-GAAP measure), remained relatively low at 4.05% at December 31, 2020.

West Reading, PA, January 27, 2021 - Customers Bancorp, Inc. (NYSE: CUBI), the parent company of Customers Bank (collectively "Customers" or "CUBI"), today reported fourth quarter 2020 ("Q4 2020") net income to common shareholders of \$52.8 million or \$1.65 per diluted share, up from third quarter 2020 ("Q3 2020") net income to common shareholders of \$47.1 million or \$1.48 per diluted share. Core earnings for Q4 2020 totaled \$52.6 million or \$1.65 per diluted share, up from Q3 2020 core earnings of \$38.2 million or \$1.20 per diluted share (non-GAAP measures). Net interest margin, tax equivalent ("NIM") expanded 28 basis points during Q4 2020 to 2.78% from 2.50% in Q3 2020 (non-GAAP measures). NIM excluding PPP loans expanded 18 basis points to 3.04% in Q4 2020 from 2.86% in Q3 2020 (non-GAAP measures). ROAA for Q4 2020 was 1.23%, up 11 basis points from Q3 2020 ROAA of 1.12%. ROCE for Q4 2020 was 24.26%, up 121 basis points from Q3 2020 ROCE of 23.05%.

Full year 2020 ("FY 2020") net income to common shareholders was \$118.5 million or \$3.74 per diluted share, up from full year 2019 ("FY 2019") net income to common shareholders of \$64.9 million or \$2.05 per diluted share. Core earnings for FY 2020 totaled \$110.6 million or \$3.49 per diluted share, compared to core earnings of \$72.0 million or \$2.28 per diluted share for FY 2019 (non-GAAP measures). FY 2020 NIM declined 4 basis points to 2.71% from FY 2019 NIM of 2.75% (non-GAAP measures). FY 2020 NIM excluding PPP loans expanded 21 basis points to 2.96% from FY 2019 NIM of 2.75% (non-GAAP measures). ROAA for FY 2020 was 0.85%, up 11 basis points from FY 2019 ROAA of 0.74%. ROCE for FY 2020 was 14.55%, up 625 basis points from FY 2019 ROCE of 8.30%.

"In a year of extraordinary circumstances, our institution rose to the challenge of supporting our team members and their families, our communities and our clients by providing outstanding customer service and responsiveness at a time when it was needed most," remarked Customers Bancorp Chairman and CEO, Jay Sidhu. "In providing approximately 100,000 small businesses and nonprofits access to Paycheck Protection Program loans, we were able to help save thousands of jobs in the communities we serve and improve the financial position of Customers Bank at the same time. We generated record earnings in 2020, driven by expansion of NIM as well as PPP related income and expansion in our core net interest margin. We achieved these results while maintaining superior asset quality during the pandemic and significantly improving the quality of our funding mix. And in early January, as promised, we successfully completed the divestiture of BankMobile, and are pleased to provide a special distribution of BM Technologies, Inc. (BMTX) stock to our shareholders with current market value of about \$75 million," Mr. Sidhu concluded.

Key Balance Sheet Trends

Total loans and leases increased \$5.8 billion, or 57.5%, to \$15.8 billion at December 31, 2020 compared to the year-ago period. PPP loans originated directly or through fintech partnerships were \$4.6 billion at December 31, 2020. Additionally, the loan mix improved year-over-year as commercial loans to mortgage companies increased \$1.4 billion to \$3.7 billion, commercial and industrial loans and leases increased \$473.1 million to \$2.3 billion, construction loans increased \$23.3 million to \$140.9 million, and commercial real estate owner occupied loans increased \$20.4 million to \$572.3 million. The commercial loans to mortgage companies trend has been a function of greater refinance activity due to sharply lower interest rates, an increase in home purchase volumes, and market share gains from other banks. These increases in loans and leases were partially offset by planned decreases in multi-family loans of \$628.9 million to \$1.8 billion and residential mortgages of \$62.8 million to \$323.3 million. "Looking ahead, we see continued growth in core C&I loans offsetting some of the expected decreases in loans to mortgage companies," stated Sidhu.

Total deposits increased \$2.7 billion, or 30.8%, to \$11.3 billion at December 31, 2020 compared to the year-ago period. Total demand deposits increased \$2.2 billion, or 83.9%, to \$4.7 billion, money market deposits increased \$1.1 billion, or 32.1%, to \$4.6 billion, and savings deposits increased \$395.6 million, or 43.0%, to \$1.3 billion. These increases were offset, in part, by a decrease in time deposits of \$1.0 billion, or 60.9%, to \$651.9 million. The total cost of deposits declined by 107 basis points to 0.58% in Q4 2020 from 1.65% in the year-ago quarter.

Customers' experienced moderate declines in regulatory capital ratios in 2020, driven by strong growth in commercial loans to mortgage companies of \$1.4 billion. However, Customers Bancorp's tangible common equity (a non-GAAP measure) increased by \$65.2 million to \$885 million at December 31, 2020 from \$820 million at December 31, 2019, and the tangible book value per common share (a non-GAAP measure) increased to \$27.92 at December 31, 2020 from \$26.17 at December 31, 2019. "This increase in tangible common equity and tangible book value per common share was achieved in spite of a decrease in retained earnings of \$61 million recorded on January 1, 2020 upon the adoption of CECL," commented Mr. Sidhu. Customers remains well capitalized by all regulatory measures. At the Customers Bancorp level, the total risk based capital ratio (estimate) and tangible common equity to tangible assets ratio ("TCE ratio"), excluding PPP loans (a non-GAAP measure), were 11.9% and 6.4%, respectively, at December 31, 2020. At September 30, 2020, Customers Bancorp's total risk based capital ratio and TCE ratio, excluding PPP loans (a non-GAAP measure), were 11.3% and 5.9%, respectively. "As a consequence of PPP related income and a potential cyclical decline in residential mortgage activity, we expect our capital levels to increase sharply in 2021 and be in the 7.5% or higher range by December 31, 2021," commented Customers Bancorp CFO, Carla Leibold.

Loan Portfolio Management During the COVID-19 Crisis

Over the last decade, Customers has developed a suite of commercial and retail loan products with one particularly important common denominator: relatively low credit risk assumption. The Bank's multifamily, mortgage warehouse, and specialty finance lines of business, for example, are characterized by conservative underwriting standards and low loss rates. Because of this emphasis, the Bank's credit quality to-date has been healthy despite a highly adverse economic environment. Maintaining strong asset quality also requires a highly active portfolio monitoring process. In addition to frequent client outreach and monitoring at the individual loan level, Customers employs a bottom-up data driven approach to analyze its commercial portfolio.

Strong commercial loan portfolio with very low concentration in COVID-19 impacted industries and CRE

- Total commercial deferments declined to \$202.1 million or 1.8% of total loans and leases, excluding PPP loans (a non-GAAP measure), at December 31, 2020, down from \$277 million, or 2.4% of total loans and leases, excluding PPP loans, at September 30, 2020. Of the \$202.1 million in total commercial deferments, \$107.4 million or 53.1% were principal only deferments. Customers' commercial deferments peaked at about \$1.2 billion earlier this year.
- Exposure to industry segments significantly impacted by COVID-19 is not substantial. At December 31, 2020, Customers had \$87 million in energy and utilities exposure; \$62 million in colleges and universities (no deferments requested); \$72 million in CRE retail sales exposure (mostly auto sales; with no deferments); \$30 million in franchise restaurants and dining (with no deferments); and \$27 million in entertainment only businesses (with no deferments).

- At year-end, the hospitality portfolio was \$406 million or 3.6% of total loans and leases excluding PPP loans, with \$126 million in deferment. Approximately 79% (\$318 million) represents “flagged” facilities, with the majority of the non-flagged being high-end destination hotels in Cape May (NJ), Avalon (NJ), and Long Island (NY). The majority of the hotels, based on our recent assessment, have sufficient cash resources to get through the COVID-19 crisis and, for those who may need assistance, the Bank is working with them to bridge any potential cash flow gaps.
- At December 31, 2020, the healthcare portfolio was approximately \$359 million, comprised predominantly of skilled nursing, which has been deemed an essential business and through a number of federal and state actions has been provided immunity from liability for COVID-19 related deaths. No deferments have been requested and there are no delinquencies.
- The multi-family portfolio is highly seasoned, with an average loan to value of 61% as of quarter-end. 55% of the portfolio was in New York City, of which 69% was in rent controlled/regulated properties. As of December 31, 2020, \$11 million of the portfolio was on deferment.
- At December 31, 2020, investment CRE had a loan to value of 64%, with approximately 30% of the portfolio housed in the New York, Philadelphia, and Boston metro and surrounding markets. As of December 31, 2020, \$29 million of the portfolio was on deferment.

Consumer installment, mortgage and home equity loan portfolio continues to perform well

- Total consumer-related deferments declined to \$16.4 million, or 0.1% of total loans and leases, excluding PPP loans (a non-GAAP measure), at December 31, 2020, down from \$25 million, or 0.2% of total loans and leases, excluding PPP loans, at September 30, 2020.
- The \$1.2 billion consumer installment loan portfolio outperformed industry peers with deferments dropping to 0.8% and 30+ DPD delinquency at only 1.1%. Strong credit quality (avg. FICO at origination: 740), low concentration in at-risk job segments, and outstanding performance of CB Direct originations have resulted in solid results through the end of Q4 2020.
- The consumer installment portfolio has been managed to moderate growth and strengthening credit quality, by replacing run-off with CB Direct originations with strong FICO scores.

Aggressively addressing non-performing assets

- During January 2021, Customers sold a collateral dependent loan secured by a hotel property in Massachusetts. This loan made up approximately 24% of non-performing assets as of December 31, 2020. “We expect our credit quality to improve or stay unchanged over the next few quarters,” stated Sidhu.

Key Profitability Trends

Net Interest Income

Net interest income totaled \$122.9 million in Q4 2020, an increase of \$15.5 million from Q3 2020, primarily due to a \$480.9 million increase in average interest-earning assets. Earning assets were driven by increases in commercial loans to mortgage companies, commercial and industrial loans and leases, and investment securities. The benefit of this growth resulted in a 28 basis point linked-quarter increase in NIM (a non-GAAP measure) to 2.78%. Compared to Q3 2020, total loan yields increased 21 basis points to 3.62%. The increase is attributable to increased originations of commercial loans to mortgage companies, commercial and industrial loans and leases, and PPP loan forgiveness which accelerated the recognition of net deferred loan origination fees. This increase is partially offset by lower market interest rates due to the Federal Reserve's forecast of interest rates at zero through 2023. The cost of interest-bearing deposits in Q4 2020 decreased by 9 basis points to 0.76% due to the decline in market interest rates and strategic decisions to reallocate deposit funding to lower cost deposits. Borrowing costs decreased by 3 basis points to 0.94% primarily due to the utilization of the FRB PPP Liquidity Facility, costing 0.35%, to fund PPP loans.

Provision for Credit Losses

The provision for credit losses on loans and leases in Q4 2020, which was calculated under the CECL accounting standard effective January 1, 2020, was a \$2.9 million benefit to (or release from) the provision, compared to a \$13.0 million provision in Q3 2020. The decrease in Q4 2020 primarily resulted from an improvement in forecasts of macroeconomic conditions since Q3 2020. The allowance for credit losses on loans and leases represented 1.9% of total loans and leases receivable, excluding PPP loans (a non-GAAP measure) at December 31, 2020, compared to just over

2.0% at September 30, 2020, and 0.8% at December 31, 2019. Customers' non-performing loans at December 31, 2020 were only 0.45% of total loans and leases. Our Q4 2020 non-performing loans were impacted by one commercial real estate credit, which was resolved during January 2021, reducing the non performing asset ratio to 0.30% of the assets (a non-GAAP measure).

Non-Interest Income

Non-interest income totaled \$23.8 million for Q4 2020, a decrease of \$10.0 million compared to Q3 2020. The decrease in non-interest income primarily resulted from decreases of \$11.7 million in gain on sale of investment securities, \$0.7 million in mortgage banking income, \$0.4 million in interchange and card revenue, and \$0.7 million in other non-interest income, partially offset by increases of \$1.4 million in gain on sale of SBA and other loans, a \$1.1 million increase in unrealized gains on equity securities issued by a foreign entity, \$0.4 million in mortgage warehouse transactional fees, and \$0.3 million in commercial lease income.

The decrease in gain on sale of investment securities primarily resulted from the sale of \$58.4 million of agency-guaranteed mortgage-backed securities and \$70.0 million in corporate notes in Q3 2020, compared to sales of \$10 million in corporate notes during Q4 2020. The decrease in mortgage banking income was mainly related to unrealized losses on derivatives. The decrease in interchange and card revenue primarily resulted from lower debit card spending volume. The decrease in other non-interest income was driven by an unrealized loss on a loan held for sale of \$1.1 million during Q4 2020, partially offset by a net derivative valuation adjustment of \$0.2 million due to changes in market interest rates and increased SERP income of \$0.3 million. The increase in gain on sale of SBA and other loans was driven by increased sales volume. The increase in unrealized gains on equity securities issued by a foreign entity primarily resulted from an increase in the valuation of those securities. The increase in mortgage warehouse transactional fees primarily resulted from an increase in transaction volume due to continued low market interest rates. The increase in commercial lease income was driven by continued organic growth in volume.

Non-Interest Expense

Non-interest expense totaled \$71.2 million for Q4 2020, an increase of \$5.6 million compared to Q3 2020. The increase in non-interest expense primarily resulted from increases of \$5.3 million in other non-interest expense, \$1.1 million in salaries and employee benefits, \$0.9 million in provision for operating losses, and \$0.3 million in commercial lease depreciation, partially offset by decreases of \$1.1 million in FDIC assessments, \$0.7 million in loan workout expenses, and \$0.4 million in occupancy expenses. The increase in other non-interest expense primarily resulted from a decrease in operating cost reimbursements from Customers' white label partnership. The increase in salaries and employee benefits was primarily due to lower stock based compensation expense in Q3 2020. The increase in provision for operating losses primarily resulted from an increase in the estimate for fraud related losses. The increase in commercial lease depreciation was driven by continued organic growth in volume. The decrease in FDIC assessments, non-income taxes and regulatory fees was a function of an increase in FDIC assessment rates due to the temporary utilization of brokered deposits to fund PPP loans in Q3 2020. The decrease in loan workout expenses primarily resulted from lower costs related to the workout of two commercial relationships in Q3 2020. The decrease in occupancy expenses primarily resulted from a decrease in rent expense as we continue to reassess our office spaces and branches.

Taxes

Income tax expense increased by \$10 million to \$22.2 million in Q4 2020 from \$12.2 million in Q3 2020 due to higher pre-tax income and effective tax rate. The effective tax rate increased to 28.3% for Q4 2020 compared to 19.5% for Q3 2020 primarily due to a lower annual benefit from investment tax credits than what was estimated in Q3 2020. Customers expects the full-year 2021 effective tax rate to be approximately 21% to 22%.

Outlook

"Looking ahead, we are very optimistic about the prospects of our company. The ongoing digital transformation of Customers Bancorp has positioned us well to be a major participant in the second round of PPP and to incubate new lines of businesses that leverage our fintech relationships. We expect our tangible common equity and regulatory capital levels to achieve targeted levels within the next 18 months and our credit quality to remain in line with or better than peers. The financial benefits of PPP aside, we project our recurring earnings power to expand well above the \$4.00 level during 2021 and remain on track to achieve \$6.00 in core EPS in 2026," concluded Mr. Sidhu.

Our updated financial guidance is as follows:

- Loan growth, excluding PPP and mortgage warehouse balances, is expected to average in the mid-to-high single digits over the next several quarters.
- The balance of commercial loans to mortgage companies is expected to decline to \$2.8-\$3.2 billion at March 31, 2021 and \$1.6-\$2.4 billion at December 31, 2021.
- The Total Capital Ratio is expected to exceed 13.0% by year-end 2021. The TCE-to-TA ratio excluding PPP loans is expected to be 7.5-8.0% by year-end 2021.
- We project the NIM excluding PPP loans to expand into the 3.10%-3.30% range by Q4 2021.
- Impacted by the divestiture of BankMobile, we project non-interest income of \$9.0-\$11.0 million and operating expenses of \$59.0-\$61.0 million in Q1 2021 (excluding BankMobile related severance expense).
- We project an effective tax rate for 2021 of 21.0%-22.0%, down from 24.7% in 2020.
- Our earnings trend is likely to be volatile over the next several quarters owing to our participation in PPP. We expect to earn at least \$4.00 in core EPS in 2021, at least \$4.50 in core EPS in 2023, and remain on track to earn \$6.00 in core EPS in 2026. Our core EPS guidance includes the net interest income expected to be earned on the PPP loans.

2021 NIM expansion is expected to be achieved by:

- Remixing the loan portfolio away from commercial loans to mortgage companies toward other C&I categories and consumer loans.
- Bringing our cost of deposits to around 40 basis points during 2021.

BankMobile Technologies, Inc.:

- On January 4, 2021, Customers completed the previously announced divestiture of BankMobile Technologies Inc. ("BMT"), the technology arm of the BankMobile segment, to Megalith Financial Acquisition Corp., a Delaware corporation ("Megalith"). In connection with the closing of the divestiture, Megalith changed its name to "BM Technologies, Inc." ("BMTX"). Beginning in first quarter of 2021, BMT's historical financial results for periods prior to the divestiture will be reflected in Customers consolidated financial statements as discontinued operations.
- All Customers Bancorp shareholders on record on December 18, 2020 received approximately \$73 million in value of BMTX stock at closing date of the transaction in the form of special distribution.

Status Report on Main Strategic Priorities Articulated at Last Analysts Day

Goal #1: Top Quartile Profitability with 1.25% Core ROAA in 2-3 years.

- **Result:** Achieved 1.22% in Core ROAA (a non-GAAP measure) in Q4 2020.

Goal #2: Achieve NIM expansion to 2.75% or greater by Q4 2019, with full year 2019 NIM above 2.70%, through an expected shift in asset and funding mix.

- **Result:** Achieved NIM of 2.78% in Q4 2020. NIM, excluding PPP loans (a non-GAAP measure), was 3.04% in Q4 2020.

Goal #3: BankMobile growth and maturity was expected with profitability achieved by year end 2019.

- **Result:** BankMobile was profitable, and BMT was divested on January 4, 2021 resulting in the special distribution of approximately 4.9 million shares of BMTX common stock to Customers Bancorp shareholders.

Goal #4: Efficiency improvement.

- **Result:** Customers' efficiency ratio was 48.98% in Q4 2020, down from 50.71% in Q3 2020 and 56.98% in Q4 2019.

Goal #5: Growth in core deposits.

- **Result:** Demand Deposit Accounts ("DDAs") grew 84% year-over-year.

Goal #6: Maintain strong credit quality and superior risk management.

- **Result:** Non-performing loans ("NPLs") were only 0.45% of total loans and leases at December 31, 2020. NPLs decreased by \$17 million in January 2021. We remain very focused on a strong Risk Management culture throughout our company.

Webcast

Date: Thursday, January 28, 2021

Time: 9:00 AM EDT

The live audio webcast, presentation slides, and earnings press release will be made available at <https://www.customersbank.com/investor-relations/> and at the Customers Bancorp 4th Quarter Earnings Webcast.

The fourth quarter 2020 earnings press release will be issued after the market close on Wednesday, January 27, 2021.

You may submit questions in advance of the live webcast by emailing Customers' Communications & Marketing Director, David Patti at dpatti@customersbank.com; questions may also be asked during the webcast through the webcast application.

The webcast will be archived for viewing on the Customers Bancorp Investor Relations page and available beginning approximately two hours after the conclusion of the live event.

Institutional Background

Customers Bancorp, Inc. is a bank holding company located in West Reading, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank with assets of approximately \$18.4 billion at December 31, 2020. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking services to small and medium-sized businesses, professionals, individuals and families through offices in Pennsylvania, Illinois, New York, Rhode Island, Massachusetts, New Hampshire and New Jersey. Committed to fostering customer loyalty, Customers Bank uses a High Tech/High Touch strategy that includes use of industry-leading technology to provide customers better access to their money, as well as Concierge Banking® by appointment at customers' homes or offices 12 hours a day, seven days a week. Customers Bank offers a continually expanding portfolio of loans to small businesses, multi-family projects, mortgage companies and consumers.

Customers Bancorp, Inc.'s voting common shares are listed on the New York Stock Exchange under the symbol CUBI. Additional information about Customers Bancorp, Inc. can be found on the Company's website, www.customersbank.com.

"Safe Harbor" Statement

In addition to historical information, this press release may contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.'s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words "may," "could," "should," "pro forma," "looking forward," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.'s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.'s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: the adverse impact on the U.S. economy, including the markets in which we operate, of the coronavirus outbreak, and the impact of a slowing U.S. economy and increased unemployment on the performance of our loan and lease portfolio, the market value of our investment securities, the demand for our products and services and the availability of sources of funding; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that effect market interest rates and the money supply; actions that we and our customers take in response to these developments and the effects such actions have on our operations, products, services and customer relationships; and the effects of changes in accounting standards or policies, including Accounting Standards Update ("ASU")

2016-13, Financial Instruments—Credit Losses ("CECL"). Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.'s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2019, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank, except as may be required under applicable law.

Q4 2020 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2020 and the preceding four quarters:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

(Dollars in thousands, except per share data and stock price data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Year Ended December 31,	
						2020	2019
GAAP Profitability Metrics:							
Net income available to common shareholders	\$ 52,831	\$ 47,085	\$ 19,137	\$ (515)	\$ 23,911	\$ 118,537	\$ 64,868
Per share amounts:							
Earnings per share - basic	\$ 1.67	\$ 1.49	\$ 0.61	\$ (0.02)	\$ 0.76	\$ 3.76	\$ 2.08
Earnings per share - diluted	\$ 1.65	\$ 1.48	\$ 0.61	\$ (0.02)	\$ 0.75	\$ 3.74	\$ 2.05
Book value per common share ⁽¹⁾	\$ 28.37	\$ 26.43	\$ 25.08	\$ 23.74	\$ 26.66	\$ 28.37	\$ 26.66
CUBI stock price ⁽¹⁾	\$ 18.18	\$ 11.20	\$ 12.02	\$ 10.93	\$ 23.81	\$ 18.18	\$ 23.81
CUBI stock price as % of book value ⁽¹⁾	64 %	42 %	48 %	46 %	89 %	64 %	89 %
Average shares outstanding - basic	31,638,447	31,517,504	31,477,591	31,391,151	31,306,813	31,506,699	31,183,841
Average shares outstanding - diluted	31,959,100	31,736,311	31,625,771	31,391,151	31,876,341	31,727,784	31,646,216
Shares outstanding ⁽¹⁾	31,705,088	31,555,124	31,510,287	31,470,026	31,336,791	31,705,088	31,336,791
Return on average assets ("ROAA")	1.23 %	1.12 %	0.62 %	0.11 %	0.97 %	0.85 %	0.74 %
Return on average common equity ("ROCE")	24.26 %	23.05 %	9.97 %	(0.26) %	11.58 %	14.55 %	8.30 %
Efficiency ratio	48.98 %	50.71 %	58.44 %	66.03 %	56.98 %	55.11 %	65.15 %
Non-GAAP Profitability Metrics ⁽²⁾:							
Core earnings	\$ 52,648	\$ 38,210	\$ 19,174	\$ 603	\$ 23,843	\$ 110,634	\$ 72,013
Adjusted pre-tax pre-provision net income	\$ 74,883	\$ 64,176	\$ 50,766	\$ 38,595	\$ 44,676	\$ 228,420	\$ 135,558
Per share amounts:							
Core earnings per share - diluted	\$ 1.65	\$ 1.20	\$ 0.61	\$ 0.02	\$ 0.75	\$ 3.49	\$ 2.28
Tangible book value per common share ⁽¹⁾	\$ 27.92	\$ 25.97	\$ 24.62	\$ 23.27	\$ 26.17	\$ 27.92	\$ 26.17
CUBI stock price as % of tangible book value ⁽¹⁾	65 %	43 %	49 %	47 %	91 %	65 %	91 %
Core ROAA	1.22 %	0.93 %	0.62 %	0.15 %	0.97 %	0.80 %	0.81 %
Core ROCE	24.17 %	18.71 %	9.99 %	0.30 %	11.55 %	13.58 %	9.21 %
Adjusted ROAA - pre-tax and pre-provision	1.63 %	1.43 %	1.39 %	1.34 %	1.57 %	1.46 %	1.27 %
Adjusted ROCE - pre-tax and pre-provision	32.82 %	29.74 %	24.59 %	17.41 %	19.89 %	26.31 %	15.49 %
Net interest margin, tax equivalent	2.78 %	2.50 %	2.65 %	2.99 %	2.89 %	2.71 %	2.75 %
Net interest margin, tax equivalent, excluding PPP loans	3.04 %	2.86 %	2.97 %	2.99 %	2.89 %	2.96 %	2.75 %
Core efficiency ratio	47.97 %	49.81 %	55.39 %	63.33 %	56.76 %	53.40 %	62.78 %
Asset Quality:							
Net charge-offs	\$ 8,472	\$ 17,299	\$ 10,325	\$ 18,711	\$ 4,362	\$ 54,807	\$ 7,820
Annualized net charge-offs to average total loans and leases	0.21 %	0.45 %	0.32 %	0.79 %	0.18 %	0.41 %	0.08 %
Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾	0.45 %	0.38 %	0.56 %	0.49 %	0.21 %	0.45 %	0.21 %
Reserves to NPLs ⁽¹⁾	204.48 %	244.70 %	185.36 %	296.44 %	264.67 %	204.48 %	264.67 %
Non-performing assets ("NPAs") to total assets	0.39 %	0.34 %	0.48 %	0.53 %	0.19 %	0.39 %	0.19 %
Customers Bank Capital Ratios ⁽³⁾:							
Common equity Tier 1 capital to risk-weighted assets	10.61 %	10.12 %	10.64 %	10.60 %	11.32 %	10.61 %	11.32 %
Tier 1 capital to risk-weighted assets	10.61 %	10.12 %	10.64 %	10.60 %	11.32 %	10.61 %	11.32 %
Total capital to risk-weighted assets	12.06 %	11.62 %	12.30 %	12.21 %	12.93 %	12.06 %	12.93 %
Tier 1 capital to average assets (leverage ratio)	9.21 %	9.29 %	9.59 %	9.99 %	10.38 %	9.21 %	10.38 %

(1) Metric is a spot balance for the last day of each quarter presented.

(2) Non-GAAP measures exclude unrealized gains (losses) on loans HFS, investment securities gains and losses, severance expense, merger and acquisition-related expenses, losses realized from the sale of non-QM residential mortgage loans, loss upon acquisition of interest-only GNMA securities, legal reserves, credit valuation adjustments on derivatives, risk participation agreement mark-to-market adjustments, and goodwill and intangible assets. These notable items are not included in Customers' disclosures of core earnings and other core profitability metrics. Please note that not each of the aforementioned adjustments affected the reported amount in each of the periods presented. Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q4 2020 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected an option to delay the estimated impact of CECL on its regulatory capital over a five-year transition period ending January 1, 2025. As a result, capital ratios and amounts as of Q4 2020 exclude the impact of the increased allowance for credit losses on loans and leases and unfunded loan commitments attributed to the adoption of CECL and 25% of the quarterly provision for credit losses for subsequent quarters through Q4 2021.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

(Dollars in thousands, except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
Interest income:							
Loans and leases	\$ 145,414	\$ 132,107	\$ 118,447	\$ 116,080	\$ 116,365	\$ 512,048	\$ 431,491
Investment securities	6,777	6,297	6,155	4,977	5,125	24,206	23,713
Other	902	1,246	616	4,286	2,505	7,050	8,535
Total interest income	153,093	139,650	125,218	125,343	123,995	543,304	463,739
Interest expense:							
Deposits	16,107	18,347	23,238	34,353	35,992	92,045	141,464
FHLB advances	5,749	5,762	4,736	5,390	6,056	21,637	26,519
Subordinated debt	2,688	2,689	2,689	2,689	1,930	10,755	6,983
Federal funds purchased and other borrowings	5,603	5,413	2,573	1,590	2,424	15,179	11,463
Total interest expense	30,147	32,211	33,236	44,022	46,402	139,616	186,429
Net interest income	122,946	107,439	91,982	81,321	77,593	403,688	277,310
Provision for credit losses on loans and leases	(2,913)	12,955	20,946	31,786	9,689	62,774	24,227
Net interest income after provision for credit losses on loans and leases	125,859	94,484	71,036	49,535	67,904	340,914	253,083
Non-interest income:							
Interchange and card revenue	3,671	4,081	6,478	6,809	6,506	21,039	28,941
Deposit fees	3,615	3,439	3,321	3,460	3,616	13,835	12,815
Commercial lease income	4,853	4,510	4,508	4,268	3,839	18,139	12,051
Bank-owned life insurance	1,744	1,746	1,757	1,762	1,795	7,009	7,272
Mortgage warehouse transactional fees	3,681	3,320	2,582	1,952	1,983	11,535	7,128
Gain (loss) on sale of SBA and other loans	1,689	286	23	11	2,770	2,009	2,770
Mortgage banking income (loss)	346	1,013	38	296	(635)	1,693	66
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—	—	(7,476)
Gain (loss) on sale of investment securities	44	11,707	4,353	3,974	—	20,078	1,001
Unrealized gain (loss) on investment securities	1,387	238	1,200	(1,378)	310	1,447	1,299
Other	2,745	3,453	(2,024)	776	5,629	4,950	15,071
Total non-interest income	23,775	33,793	22,236	21,930	25,813	101,734	80,938
Non-interest expense:							
Salaries and employee benefits	33,726	32,676	31,296	28,310	27,697	126,008	107,632
Technology, communication and bank operations	13,290	13,215	13,310	13,050	10,370	52,865	43,481
Professional services	7,490	7,253	4,552	7,670	6,470	26,965	25,109
Occupancy	3,188	3,632	3,025	3,032	3,470	12,877	13,098
Commercial lease depreciation	3,982	3,663	3,643	3,427	2,840	14,715	9,473
FDIC assessments, non-income taxes and regulatory fees	2,642	3,784	2,368	2,867	2,492	11,661	5,861
Provision for operating losses	2,115	1,186	1,068	912	1,415	5,281	9,638
Advertising and promotion	—	—	582	1,641	899	2,223	4,044
Merger and acquisition related expenses	996	1,035	25	50	100	2,106	100
Loan workout	123	846	1,808	366	230	3,143	1,687
Other real estate owned	52	7	12	8	247	79	398
Other	3,560	(1,736)	1,817	5,126	2,510	8,767	11,380
Total non-interest expense	71,164	65,561	63,506	66,459	58,740	266,690	231,901
Income before income tax expense	78,470	62,716	29,766	5,006	34,977	175,958	102,120
Income tax expense	22,225	12,201	7,048	1,906	7,451	43,380	22,793
Net income	56,245	50,515	22,718	3,100	27,526	132,578	79,327
Preferred stock dividends	3,414	3,430	3,581	3,615	3,615	14,041	14,459
Net income available to common shareholders	\$ 52,831	\$ 47,085	\$ 19,137	\$ (515)	\$ 23,911	\$ 118,537	\$ 64,868
Basic earnings per common share	\$ 1.67	\$ 1.49	\$ 0.61	\$ (0.02)	\$ 0.76	\$ 3.76	\$ 2.08
Diluted earnings per common share	\$ 1.65	\$ 1.48	\$ 0.61	\$ (0.02)	\$ 0.75	\$ 3.74	\$ 2.05

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET - UNAUDITED
(Dollars in thousands)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
ASSETS					
Cash and due from banks	\$ 78,090	\$ 5,822	\$ 44,577	\$ 18,842	\$ 33,095
Interest earning deposits	615,264	325,594	1,022,753	237,390	179,410
Cash and cash equivalents	693,354	331,416	1,067,330	256,232	212,505
Investment securities, at fair value	1,210,285	1,133,831	681,382	712,657	595,876
Loans held for sale	79,086	26,689	464,164	450,157	486,328
Loans receivable, mortgage warehouse, at fair value	3,616,432	3,913,593	2,793,164	2,518,012	2,245,758
Loans receivable, PPP	4,561,365	4,964,105	4,760,427	—	—
Loans and leases receivable	7,575,368	7,700,892	7,272,447	7,353,262	7,318,988
Allowance for credit losses on loans and leases	(144,176)	(155,561)	(159,905)	(149,283)	(56,379)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	15,608,989	16,423,029	14,666,133	9,721,991	9,508,367
FHLB, Federal Reserve Bank, and other restricted stock	71,368	70,387	91,023	87,140	84,214
Accrued interest receivable	80,412	65,668	49,911	40,570	38,072
Bank premises and equipment, net	11,626	11,744	8,380	8,890	9,389
Bank-owned life insurance	280,067	277,826	275,842	273,576	272,546
Other real estate owned	57	131	131	131	173
Goodwill and other intangibles	14,298	14,437	14,575	14,870	15,195
Other assets	389,706	423,569	584,247	452,585	298,052
Total assets	\$ 18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717
LIABILITIES AND SHAREHOLDERS' EQUITY					
Demand, non-interest bearing deposits	\$ 2,356,998	\$ 2,327,017	\$ 1,879,789	\$ 1,435,151	\$ 1,343,391
Interest bearing deposits	8,952,931	8,512,060	9,086,086	6,978,492	7,305,545
Total deposits	11,309,929	10,839,077	10,965,875	8,413,643	8,648,936
FRB advances	—	—	—	175,000	—
Federal funds purchased	250,000	680,000	—	705,000	538,000
FHLB advances	850,000	850,000	850,000	1,260,000	850,000
Other borrowings	124,037	123,935	123,833	123,732	123,630
Subordinated debt	181,394	181,324	181,255	181,185	181,115
FRB PPP liquidity facility	4,415,016	4,811,009	4,419,967	—	—
Accrued interest payable and other liabilities	191,786	241,891	354,341	195,603	126,241
Total liabilities	17,322,162	17,727,236	16,895,271	11,054,163	10,467,922
Preferred stock	217,471	217,471	217,471	217,471	217,471
Common stock	32,986	32,836	32,791	32,751	32,617
Additional paid in capital	455,592	452,965	450,665	446,840	444,218
Retained earnings	438,581	385,750	338,665	319,529	381,519
Accumulated other comprehensive loss	(5,764)	(15,751)	(9,965)	(30,175)	(1,250)
Treasury stock, at cost	(21,780)	(21,780)	(21,780)	(21,780)	(21,780)
Total shareholders' equity	1,117,086	1,051,491	1,007,847	964,636	1,052,795
Total liabilities & shareholders' equity	\$ 18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

	Three Months Ended					
	December 31, 2020		September 30, 2020		December 31, 2019	
	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets						
Interest earning deposits	\$ 413,381	0.12%	\$ 686,928	0.12%	\$ 150,382	2.21%
Investment securities ⁽¹⁾	1,120,491	2.42%	950,723	2.65%	584,955	3.50%
Loans and leases:						
Commercial loans to mortgage companies	3,518,371	3.06%	2,847,169	2.90%	2,158,626	4.16%
Multi-family loans	1,871,956	3.70%	1,989,074	3.72%	2,654,919	3.96%
Commercial and industrial loans and leases ⁽²⁾	2,801,172	3.96%	2,599,806	3.82%	2,318,313	4.79%
Loans receivable, PPP	4,782,606	2.45%	4,909,197	1.97%	—	—%
Non-owner occupied commercial real estate loans	1,358,541	3.80%	1,388,306	3.70%	1,325,630	4.55%
Residential mortgages	400,771	3.80%	414,781	3.97%	631,370	4.05%
Installment loans	1,253,679	8.50%	1,255,505	8.37%	765,765	9.11%
Total loans and leases ⁽³⁾	15,987,096	3.62%	15,403,838	3.41%	9,854,623	4.68%
Other interest-earning assets	81,031	3.80%	79,656	5.23%	86,770	7.63%
Total interest-earning assets	17,601,999	3.46%	17,121,145	3.25%	10,676,730	4.61%
Non-interest-earning assets	648,720		744,429		580,477	
Total assets	\$ 18,250,719		\$ 17,865,574		\$ 11,257,207	
Liabilities						
Interest checking accounts	\$ 2,240,959	0.86%	\$ 2,370,709	0.78%	\$ 1,152,349	1.65%
Money market deposit accounts	4,166,635	0.60%	3,786,032	0.65%	3,190,543	2.01%
Other savings accounts	1,205,592	0.74%	1,125,273	1.06%	722,487	2.09%
Certificates of deposit	833,689	1.30%	1,344,134	1.35%	2,012,497	2.21%
Total interest-bearing deposits ⁽⁴⁾	8,446,875	0.76%	8,626,148	0.85%	7,077,876	2.02%
FRB PPP liquidity facility	4,684,756	0.35%	4,479,036	0.35%	—	—%
Borrowings	1,276,212	3.09%	1,236,127	3.19%	1,424,550	2.91%
Total interest-bearing liabilities	14,407,843	0.83%	14,341,311	0.89%	8,502,426	2.17%
Non-interest-bearing deposits ⁽⁴⁾	2,543,529		2,194,689		1,580,050	
Total deposits and borrowings	16,951,372	0.71%	16,536,000	0.78%	10,082,476	1.83%
Other non-interest-bearing liabilities	215,465		299,526		138,242	
Total liabilities	17,166,837		16,835,526		10,220,718	
Shareholders' equity	1,083,882		1,030,048		1,036,489	
Total liabilities and shareholders' equity	\$ 18,250,719		\$ 17,865,574		\$ 11,257,207	
Interest spread		<u>2.75%</u>		<u>2.47%</u>		<u>2.78%</u>
Net interest margin		<u>2.78%</u>		<u>2.50%</u>		<u>2.89%</u>
Net interest margin tax equivalent ⁽⁵⁾		<u>2.78%</u>		<u>2.50%</u>		<u>2.89%</u>
Net interest margin tax equivalent excl. PPP ⁽⁶⁾		<u>3.04%</u>		<u>2.86%</u>		<u>2.89%</u>

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.

(2) Includes owner occupied commercial real estate loans.

(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 0.58%, 0.67% and 1.65% for the three months ended December 31, 2020, September 30, 2020 and December 31, 2019, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended December 31, 2020, September 30, 2020 and December 31, 2019, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis, as described in note (5) for the three months ended December 31, 2020, September 30, 2020 and December 31, 2019, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

		Twelve Months Ended			
		December 31, 2020		December 31, 2019	
		Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets					
Interest earning deposits	\$	564,218	0.59%	\$ 103,833	2.68%
Investment securities ⁽¹⁾		836,815	2.89%	653,694	3.63%
Loans and leases:					
Commercial loans to mortgage companies		2,668,642	3.11%	1,799,489	4.58%
Multi-family loans		2,020,640	3.85%	2,982,185	3.87%
Commercial and industrial loans and leases ⁽²⁾		2,581,119	4.12%	2,111,181	5.08%
Loans receivable, PPP		3,121,157	2.10%	—	—%
Non-owner occupied commercial real estate loans		1,368,684	3.91%	1,243,236	4.53%
Residential mortgages		422,696	3.82%	694,889	4.15%
Installment loans		1,264,255	8.68%	445,166	9.28%
Total loans and leases ⁽³⁾		13,447,193	3.81%	9,276,146	4.65%
Other interest-earning assets		85,091	4.41%	90,035	6.39%
Total interest-earning assets		14,933,317	3.64%	10,123,708	4.58%
Non-interest-earning assets		671,484		543,962	
Total assets		\$ 15,604,801		\$ 10,667,670	
Liabilities					
Interest checking accounts	\$	2,098,138	0.89%	\$ 955,630	1.82%
Money market deposit accounts		3,657,422	0.96%	3,151,328	2.18%
Other savings accounts		1,162,472	1.44%	538,375	2.12%
Certificates of deposit		1,357,688	1.58%	1,943,361	2.26%
Total interest-bearing deposits ⁽⁴⁾		8,275,720	1.11%	6,588,694	2.15%
FRB PPP liquidity facility		2,537,744	0.35%	—	—%
Borrowings		1,504,760	2.57%	1,523,171	2.95%
Total interest-bearing liabilities		12,318,224	1.13%	8,111,865	2.30%
Non-interest-bearing deposits ⁽⁴⁾		2,052,376		1,430,149	
Total deposits and borrowings		14,370,600	0.97%	9,542,014	1.95%
Other non-interest-bearing liabilities		201,961		126,325	
Total liabilities		14,572,561		9,668,339	
Shareholders' equity		1,032,240		999,331	
Total liabilities and shareholders' equity	\$	15,604,801		\$ 10,667,670	
Interest spread			2.67%		2.63%
Net interest margin			2.70%		2.74%
Net interest margin tax equivalent ⁽⁵⁾			2.71%		2.75%
Net interest margin tax equivalent ⁽⁶⁾			2.96%		2.75%

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.

(2) Includes owner occupied commercial real estate loans.

(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 0.89% and 1.76% for the twelve months ended December 31, 2020 and December 31, 2019, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the years ended December 31, 2020 and 2019, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis as described in noted (5), for the years ended December 31, 2020 and 2019, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
SEGMENT REPORTING - UNAUDITED
(Dollars in thousands, except per share amounts)

The following tables present Customers' business segment results for the three and twelve months ended December 31, 2020 and 2019:

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019		
	Customers Bank Business Banking	BankMobile	Consolidated	Customers Bank Business Banking	BankMobile	Consolidated
Interest income ⁽¹⁾	\$ 138,209	\$ 14,884	\$ 153,093	\$ 112,212	\$ 11,783	\$ 123,995
Interest expense	29,230	917	30,147	46,111	291	46,402
Net interest income	108,979	13,967	122,946	66,101	11,492	77,593
Provision for credit losses on loans and leases	(3,912)	999	(2,913)	6,846	2,843	9,689
Non-interest income	13,413	10,362	23,775	14,964	10,849	25,813
Non-interest expense	50,098	21,066	71,164	41,494	17,246	58,740
Income (loss) before income tax expense (benefit)	76,206	2,264	78,470	32,725	2,252	34,977
Income tax expense (benefit)	21,600	625	22,225	6,892	559	7,451
Net income (loss)	54,606	1,639	56,245	25,833	1,693	27,526
Preferred stock dividends	3,414	—	3,414	3,615	—	3,615
Net income (loss) available to common shareholders	\$ 51,192	\$ 1,639	\$ 52,831	\$ 22,218	\$ 1,693	\$ 23,911
Basic earnings (loss) per common share	\$ 1.62	\$ 0.05	\$ 1.67	\$ 0.71	\$ 0.05	\$ 0.76
Diluted earnings (loss) per common share	\$ 1.60	\$ 0.05	\$ 1.65	\$ 0.70	\$ 0.05	\$ 0.75

(1) Amounts reported include funds transfer pricing of \$3.9 million and \$0.7 million for the three months ended December 31, 2020 and 2019, respectively, credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	Customers Bank Business			Customers Bank Business		
	Banking	BankMobile	Consolidated	Banking	BankMobile	Consolidated
Interest income ⁽¹⁾	\$ 490,028	\$ 53,276	\$ 543,304	\$ 422,094	\$ 41,645	\$ 463,739
Interest expense	137,480	2,136	139,616	185,513	916	186,429
Net interest income	352,548	51,140	403,688	236,581	40,729	277,310
Provision for credit losses on loans and leases	51,708	11,066	62,774	10,091	14,136	24,227
Non-interest income	57,834	43,900	101,734	35,268	45,670	80,938
Non-interest expense	187,153	79,537	266,690	153,333	78,568	231,901
Income (loss) before income tax expense (benefit)	171,521	4,437	175,958	108,425	(6,305)	102,120
Income tax expense (benefit)	42,307	1,073	43,380	24,215	(1,422)	22,793
Net income (loss)	129,214	3,364	132,578	84,210	(4,883)	79,327
Preferred stock dividends	14,041	—	14,041	14,459	—	14,459
Net income (loss) available to common shareholders	\$ 115,173	\$ 3,364	\$ 118,537	\$ 69,751	\$ (4,883)	\$ 64,868
Basic earnings (loss) per common share	\$ 3.65	\$ 0.11	\$ 3.76	\$ 2.24	\$ (0.16)	\$ 2.08
Diluted earnings (loss) per common share	\$ 3.63	\$ 0.11	\$ 3.74	\$ 2.20	\$ (0.15)	\$ 2.05
As of December 31, 2020 and 2019						
Goodwill and other intangibles	\$ 3,629	\$ 10,669	\$ 14,298	\$ 3,629	\$ 11,566	\$ 15,195
Total assets ⁽²⁾	\$ 17,821,665	\$ 617,583	\$ 18,439,248	\$ 10,990,550	\$ 530,167	\$ 11,520,717
Total deposits	\$ 10,350,028	\$ 959,901	\$ 11,309,929	\$ 8,247,836	\$ 401,100	\$ 8,648,936
Total non-deposit liabilities ⁽²⁾	\$ 5,982,010	\$ 30,223	\$ 6,012,233	\$ 1,789,329	\$ 29,657	\$ 1,818,986

(1) Amounts reported include funds transfer pricing of \$9.3 million and \$8.8 million for the twelve months ended December 31, 2020 and 2019, respectively, credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.
(2) Amounts reported exclude inter-segment receivables and payables.

The following tables present Customers' business segment results for the quarter ended December 31, 2020, the preceding four quarters, and the twelve months ended December 31, 2020 and 2019, respectively:

Customers Bank Business Banking:

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
Interest income ⁽¹⁾	\$ 138,209	\$ 126,648	\$ 112,455	\$ 112,717	\$ 112,212	\$ 490,028	\$ 422,094
Interest expense	29,230	31,718	32,856	43,678	46,111	137,480	185,513
Net interest income	108,979	94,930	79,599	69,039	66,101	352,548	236,581
Provision for credit losses on loans and leases	(3,912)	8,699	19,623	27,298	6,846	51,708	10,091
Non-interest income	13,413	21,603	11,683	11,136	14,964	57,834	35,268
Non-interest expense	50,098	48,926	44,270	43,860	41,494	187,153	153,333
Income (loss) before income tax expense (benefit)	76,206	58,908	27,389	9,017	32,725	171,521	108,425
Income tax expense (benefit)	21,600	11,374	6,611	2,722	6,892	42,307	24,215
Net income (loss)	54,606	47,534	20,778	6,295	25,833	129,214	84,210
Preferred stock dividends	3,414	3,430	3,581	3,615	3,615	14,041	14,459
Net income (loss) available to common shareholders	\$ 51,192	\$ 44,104	\$ 17,197	\$ 2,680	\$ 22,218	\$ 115,173	\$ 69,751
Basic earnings (loss) per common share	\$ 1.62	\$ 1.40	\$ 0.55	\$ 0.09	\$ 0.71	\$ 3.65	\$ 2.24
Diluted earnings (loss) per common share	\$ 1.60	\$ 1.39	\$ 0.54	\$ 0.09	\$ 0.70	\$ 3.63	\$ 2.20

(1) Amounts reported include funds transfer pricing of \$3.9 million, \$2.2 million, \$1.6 million, \$1.4 million and \$0.7 million for the three months ended December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020, and December 31, 2019, respectively. Amounts reported also include funds transfer pricing of \$9.3 million and \$8.8 million for the twelve months ended December 31, 2020 and 2019, respectively. These amounts are credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

BankMobile:

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
Interest income ⁽²⁾	\$ 14,884	\$ 13,002	\$ 12,763	\$ 12,626	\$ 11,783	\$ 53,276	\$ 41,645
Interest expense	917	493	380	344	291	2,136	916
Net interest income	13,967	12,509	12,383	12,282	11,492	51,140	40,729
Provision for credit losses on loans and leases	999	4,256	1,323	4,488	2,843	11,066	14,136
Non-interest income	10,362	12,190	10,553	10,794	10,849	43,900	45,670
Non-interest expense	21,066	16,635	19,236	22,599	17,246	79,537	78,568
Income (loss) before income tax expense (benefit)	2,264	3,808	2,377	(4,011)	2,252	4,437	(6,305)
Income tax expense (benefit)	625	827	437	(816)	559	1,073	(1,422)
Net income (loss) available to common shareholders	\$ 1,639	\$ 2,981	\$ 1,940	\$ (3,195)	\$ 1,693	\$ 3,364	\$ (4,883)
Basic income (loss) per common share	\$ 0.05	\$ 0.09	\$ 0.06	\$ (0.10)	\$ 0.05	\$ 0.11	\$ (0.16)
Diluted income (loss) per common share	\$ 0.05	\$ 0.09	\$ 0.06	\$ (0.10)	\$ 0.05	\$ 0.11	\$ (0.15)

Deposit balances ⁽³⁾

Disbursements business deposits	\$ 404,601	\$ 644,658	\$ 500,072	\$ 502,711	\$ 319,263
White label deposits	555,300	299,091	162,691	107,054	81,837
Total deposits	<u>\$ 959,901</u>	<u>\$ 943,749</u>	<u>\$ 662,763</u>	<u>\$ 609,765</u>	<u>\$ 401,100</u>

(2) Amounts reported include funds transfer pricing of \$3.9 million, \$2.2 million, \$1.6 million, \$1.4 million and \$0.7 million for the three months ended December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020, and December 31, 2019, respectively. Amounts reported also include funds transfer pricing of \$9.3 million and \$8.8 million for the twelve months ended December 31, 2020 and 2019, respectively. These amounts are credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

(3) As of December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020, and December 31, 2019.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END LOAN AND LEASE COMPOSITION - UNAUDITED
(Dollars in thousands)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Commercial:					
Multi-family	\$ 1,761,301	\$ 1,950,300	\$ 2,023,571	\$ 2,069,077	\$ 2,390,204
Mortgage warehouse	3,657,350	3,947,828	2,832,112	2,573,397	2,305,784
Commercial & industrial	2,304,206	2,186,480	2,060,494	2,017,567	1,831,126
Commercial real estate owner occupied	572,338	557,595	544,772	543,945	551,948
Loans receivable, PPP	4,561,365	4,964,105	4,760,427	—	—
Commercial real estate non-owner occupied	1,213,815	1,233,882	1,262,373	1,252,826	1,222,772
Construction	140,905	122,963	128,834	115,448	117,617
Total commercial loans and leases	14,211,280	14,963,153	13,612,583	8,572,260	8,419,451
Consumer:					
Residential	323,322	343,775	352,941	364,760	386,089
Manufactured housing	62,243	64,638	66,865	69,240	71,359
Installment	1,235,406	1,233,713	1,257,813	1,315,171	1,174,175
Total consumer loans	1,620,971	1,642,126	1,677,619	1,749,171	1,631,623
Total loans and leases	\$ 15,832,251	\$ 16,605,279	\$ 15,290,202	\$ 10,321,431	\$ 10,051,074

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END DEPOSIT COMPOSITION - UNAUDITED
(Dollars in thousands)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Demand, non-interest bearing	\$ 2,356,998	\$ 2,327,017	\$ 1,879,789	\$ 1,435,151	\$ 1,343,391
Demand, interest bearing	2,384,691	2,308,627	2,666,209	1,577,034	1,235,292
Total demand deposits	4,741,689	4,635,644	4,545,998	3,012,185	2,578,683
Savings	1,314,817	1,173,641	1,144,788	1,168,121	919,214
Money market	4,601,492	4,057,366	3,404,709	2,833,990	3,482,505
Time deposits	651,931	972,426	1,870,380	1,399,347	1,668,534
Total deposits	\$ 11,309,929	\$ 10,839,077	\$ 10,965,875	\$ 8,413,643	\$ 8,648,936

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

<i>(Dollars in thousands)</i>	As of December 31, 2020					As of September 30, 2020					As of December 31, 2019				
	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs
Loan type															
Multi-family	\$ 1,761,301	\$ 21,728	\$ 12,620	1.23 %	58.08 %	\$ 1,950,300	\$ 11,710	\$ 15,026	0.60 %	128.32 %	\$ 1,907,331	\$ 4,117	\$ 6,157	0.22 %	149.55 %
Commercial & industrial ⁽¹⁾	2,289,441	8,453	12,239	0.37 %	144.79 %	2,220,715	9,633	12,926	0.43 %	134.18 %	1,891,152	4,531	16,010	0.24 %	353.34 %
Commercial real estate owner occupied	572,338	3,411	9,512	0.60 %	278.86 %	557,595	3,599	9,552	0.65 %	265.41 %	551,948	1,963	1,781	0.36 %	90.73 %
Commercial real estate non-owner occupied	1,196,564	2,356	19,452	0.20 %	825.64 %	1,215,516	2,408	20,200	0.20 %	838.87 %	1,222,772	76	6,243	0.01 %	8214.47 %
Construction	140,905	—	5,871	— %	— %	122,963	—	6,423	— %	— %	117,617	—	1,262	— %	— %
Total commercial loans and leases receivable	5,960,549	35,948	59,694	0.60 %	166.06 %	6,067,089	27,350	64,127	0.45 %	234.47 %	5,690,820	10,687	31,453	0.19 %	294.31 %
Residential	317,170	9,911	3,977	3.12 %	40.13 %	335,452	10,634	4,649	3.17 %	43.72 %	382,634	6,128	3,218	1.60 %	52.51 %
Manufactured housing	62,243	2,969	5,189	4.77 %	174.77 %	64,638	2,778	5,625	4.30 %	202.48 %	71,359	1,655	1,178	2.32 %	71.18 %
Installment	1,235,406	3,211	75,316	0.26 %	2345.56 %	1,233,713	3,118	81,160	0.25 %	2602.95 %	1,174,175	1,551	20,648	0.13 %	1331.27 %
Total consumer loans receivable	1,614,819	16,091	84,482	1.00 %	525.83 %	1,633,803	16,530	91,434	1.01 %	853.14 %	1,628,168	9,334	25,044	0.57 %	268.31 %
Loans and leases receivable⁽¹⁾	7,575,368	52,039	144,176	0.69 %	277.85 %	7,700,892	43,880	155,561	0.57 %	354.81 %	7,318,988	20,021	56,497	0.27 %	282.19 %
Loans receivable, PPP	4,561,365	—	—	— %	— %	4,964,105	—	—	— %	— %	—	—	—	— %	— %
Loans receivable, mortgage warehouse, at fair value	3,616,432	—	—	— %	— %	3,913,893	—	—	— %	— %	2,245,798	—	—	— %	— %
Total loans held for sale	79,086	18,469	—	23.35 %	— %	26,689	19,691	—	73.78 %	— %	486,328	1,325	—	0.27 %	— %
Total portfolio	\$ 15,832,251	\$ 70,508	\$ 144,176	0.45 %	204.48 %	\$ 16,605,279	\$ 63,571	\$ 155,561	0.38 %	244.70 %	\$ 10,051,074	\$ 21,346	\$ 56,497	0.21 %	264.67 %

(1) Excluding loans receivable, PPP from total loans and leases receivable is a non-GAAP measure. Management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities. Please refer to the reconciliation schedules that follow this table.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

NET CHARGE-OFFS/(RECOVERIES) - UNAUDITED

(Dollars in thousands)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
<i>Loan type</i>							
Multi-family	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 534
Commercial & industrial	155	(55)	(4)	43	(224)	139	(518)
Commercial real estate owner occupied	12	44	(2)	(3)	(1)	51	(117)
Commercial real estate non-owner occupied	(35)	8,923	2,801	12,797	—	24,486	—
Construction	(6)	(6)	(113)	(3)	(8)	(128)	(136)
Residential	46	(17)	(26)	(29)	181	(26)	270
Installment	8,300	8,410	7,669	5,906	4,414	30,285	7,787
Total net charge-offs (recoveries) from loans held for investment	\$ 8,472	\$ 17,299	\$ 10,325	\$ 18,711	\$ 4,362	\$ 54,807	\$ 7,820

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED

Customers believes that the non-GAAP measurements disclosed within this document are useful for investors, regulators, management and others to evaluate our core results of operations and financial condition relative to other financial institutions. These non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in Customers' industry. These non-GAAP financial measures exclude from corresponding GAAP measures the impact of certain elements that we do not believe are representative of our ongoing financial results, which we believe enhance an overall understanding of our performance and increases comparability of our period to period results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

The following tables present reconciliations of GAAP to non-GAAP measures disclosed within this document.

	Twelve Months Ended December 31,													
	Q4 2020		Q3 2020		Q2 2020		Q1 2020		Q4 2019		2020		2019	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
Core Earnings - Customers Bancorp														
(dollars in thousands except per share data)														
GAAP net income to common shareholders	\$ 52,831	\$ 1.65	\$ 47,085	\$ 1.48	\$ 19,137	\$ 0.61	\$ (515)	\$ (0.02)	\$ 23,911	\$ 0.75	\$ 118,537	\$ 3.74	\$ 64,868	\$ 2.05
Reconciling items (after tax):														
Severance expense	171	0.01	—	—	—	—	—	—	—	—	171	0.01	373	0.01
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—	—	—	—	—	—	—	—	5,682	0.18
Merger and acquisition related expenses	714	0.02	833	0.03	19	—	40	—	76	—	1,606	0.05	76	—
Legal reserves	—	—	258	0.01	—	—	830	0.03	—	—	1,088	0.03	1,520	0.05
(Gains) losses on investment securities	(1,419)	(0.04)	(9,662)	(0.30)	(4,543)	(0.14)	(1,788)	(0.06)	(310)	(0.01)	(17,412)	(0.55)	(1,912)	(0.06)
Derivative credit valuation adjustment	(448)	(0.01)	(304)	(0.01)	4,527	0.14	2,036	0.06	(429)	(0.01)	5,811	0.18	811	0.03
Risk participation agreement mark-to-market adjustment	—	—	—	—	(1,080)	(0.03)	—	—	—	—	(1,080)	(0.03)	—	—
Losses on sale of non-QM residential mortgage loans	—	—	—	—	—	—	—	—	595	0.02	—	—	595	0.02
Unrealized losses on loans held for sale	799	0.03	—	—	1,114	0.04	—	—	—	—	1,913	0.06	—	—
Core earnings	\$ 52,648	\$ 1.65	\$ 38,210	\$ 1.20	\$ 19,174	\$ 0.61	\$ 603	\$ 0.02	\$ 23,843	\$ 0.75	\$ 110,634	\$ 3.49	\$ 72,013	\$ 2.28

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED
(Dollars in thousands, except per share data)

<i>Core Return on Average Assets - Customers Bancorp</i> <i>(dollars in thousands except per share data)</i>							Twelve Months Ended December 31,	
	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019		2020	2019
GAAP net income	\$ 56,245	\$ 50,515	\$ 22,718	\$ 3,100	\$ 27,526	\$	132,578	79,327
Reconciling items (after tax):								
Severance expense	171	—	—	—	—		171	373
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—		—	5,682
Merger and acquisition related expenses	714	833	19	40	76		1,606	76
Legal reserves	—	258	—	830	—		1,088	1,520
(Gains) losses on investment securities	(1,419)	(9,662)	(4,543)	(1,788)	(310)		(17,412)	(1,912)
Derivative credit valuation adjustment	(448)	(304)	4,527	2,036	(429)		5,811	811
Risk participation agreement mark-to-market adjustment	—	—	(1,080)	—	—		(1,080)	—
Losses on sale of non-QM residential mortgage loans	—	—	—	—	595		—	595
Unrealized losses on loans held for sale	799	—	1,114	—	—		1,913	—
Core net income	<u>\$ 56,062</u>	<u>\$ 41,640</u>	<u>\$ 22,755</u>	<u>\$ 4,218</u>	<u>\$ 27,458</u>	\$	<u>124,675</u>	<u>86,472</u>
Average total assets	\$ 18,250,719	\$ 17,865,574	\$ 14,675,584	\$ 11,573,406	\$ 11,257,207	\$	15,604,801	10,667,670
Core return on average assets	1.22 %	0.93 %	0.62 %	0.15 %	0.97 %		0.80 %	0.81 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Adjusted Net Income and Adjusted ROAA - Pre-Tax Pre-Provision - Customers Bancorp
(dollars in thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
GAAP net income	\$ 56,245	\$ 50,515	\$ 22,718	\$ 3,100	\$ 27,526	\$ 132,578	\$ 79,327
Reconciling items:							
Income tax expense	22,225	12,201	7,048	1,906	7,451	43,380	22,793
Provision for credit losses on loans and leases	(2,913)	12,955	20,946	31,786	9,689	62,774	24,227
Provision for credit losses on unfunded commitments	(968)	(527)	(356)	751	3	(1,100)	(403)
Severance expense	239	—	—	—	—	239	490
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—	—	7,476
Merger and acquisition related expenses	996	1,035	25	50	100	2,106	100
Legal reserves	—	320	—	1,042	—	1,362	2,000
(Gains) losses on investment securities	(1,431)	(11,945)	(5,553)	(2,596)	(310)	(21,525)	(2,300)
Derivative credit valuation adjustment	(625)	(378)	5,895	2,556	(565)	7,448	1,066
Risk participation agreement mark-to-market adjustment	—	—	(1,407)	—	—	(1,407)	—
Losses on sale of non-QM residential mortgage loans	—	—	—	—	782	—	782
Unrealized losses on loans held for sale	1,115	—	1,450	—	—	2,565	—
Adjusted net income - pre-tax pre-provision	<u>\$ 74,883</u>	<u>\$ 64,176</u>	<u>\$ 50,766</u>	<u>\$ 38,595</u>	<u>\$ 44,676</u>	<u>\$ 228,420</u>	<u>\$ 135,558</u>
Average total assets	\$ 18,250,719	\$ 17,865,574	\$ 14,675,584	\$ 11,573,406	\$ 11,257,207	\$ 15,604,801	\$ 10,667,670
Adjusted ROAA - pre-tax pre-provision	1.63 %	1.43 %	1.39 %	1.34 %	1.57 %	1.46 %	1.27 %

Core Return on Average Common Equity - Customers Bancorp
(dollars in thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
GAAP net income to common shareholders	\$ 52,831	\$ 47,085	\$ 19,137	\$ (515)	\$ 23,911	\$ 118,537	\$ 64,868
Reconciling items (after tax):							
Severance expense	171	—	—	—	—	171	373
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—	—	5,682
Merger and acquisition related expenses	714	833	19	40	76	1,606	76
Legal reserves	—	258	—	830	—	1,088	1,520
(Gains) losses on investment securities	(1,419)	(9,662)	(4,543)	(1,788)	(310)	(17,412)	(1,912)
Derivative credit valuation adjustment	(448)	(304)	4,527	2,036	(429)	5,811	811
Risk participation agreement mark-to-market adjustment	—	—	(1,080)	—	—	(1,080)	—
Losses on sale of non-QM residential mortgage loans	—	—	—	—	595	—	595
Unrealized losses on loans held for sale	799	—	1,114	—	—	1,913	—
Core earnings	<u>\$ 52,648</u>	<u>\$ 38,210</u>	<u>\$ 19,174</u>	<u>\$ 603</u>	<u>\$ 23,843</u>	<u>\$ 110,634</u>	<u>\$ 72,013</u>
Average total common shareholders' equity	\$ 866,411	\$ 812,577	\$ 771,663	\$ 807,884	\$ 819,018	\$ 814,769	\$ 781,860
Core return on average common equity	24.17 %	18.71 %	9.99 %	0.30 %	11.55 %	13.58 %	9.21 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Adjusted ROCE - Pre-Tax Pre-Provision - Customers Bancorp
(dollars in thousands except per share data)

GAAP net income to common shareholders	\$	52,831	\$	47,085	\$	19,137	\$	(515)	\$	23,911	\$	118,537	\$	64,868
Reconciling items:														
Income tax expense		22,225		12,201		7,048		1,906		7,451		43,380		22,793
Provision for credit losses on loan and leases		(2,913)		12,955		20,946		31,786		9,689		62,774		24,227
Provision for credit losses on unfunded commitments		(968)		(527)		(356)		751		3		(1,100)		(403)
Severance expense		239		—		—		—		—		239		490
Loss upon acquisition of interest-only GNMA securities		—		—		—		—		—		—		7,476
Merger and acquisition related expenses		996		1,035		25		50		100		2,106		100
Legal reserves		—		320		—		1,042		—		1,362		2,000
(Gains) losses on investment securities		(1,431)		(11,945)		(5,553)		(2,596)		(310)		(21,525)		(2,300)
Derivative credit valuation adjustment		(625)		(378)		5,895		2,556		(565)		7,448		1,066
Risk participation agreement mark-to-market adjustment		—		—		(1,407)		—		—		(1,407)		—
Losses on sale of non-QM residential mortgage loans		—		—		—		—		782		—		782
Unrealized losses on loans held for sale		1,115		—		1,450		—		—		2,565		—
Pre-tax pre-provision adjusted net income available to common shareholders	\$	71,469	\$	60,746	\$	47,185	\$	34,980	\$	41,061	\$	214,379	\$	121,099
Average total common shareholders' equity	\$	866,411	\$	812,577	\$	771,663	\$	807,884	\$	819,018	\$	814,769	\$	781,860
Adjusted ROCE - pre-tax pre-provision		32.82 %		29.74 %		24.59 %		17.41 %		19.89 %		26.31 %		15.49 %

Net Interest Margin, Tax Equivalent - Customers Bancorp
(dollars in thousands except per share data)

GAAP net interest income	\$	122,946	\$	107,439	\$	91,982	\$	81,321	\$	77,593	\$	403,688	\$	277,310
Tax-equivalent adjustment		219		225		225		205		187		874		735
Net interest income tax equivalent	\$	123,165	\$	107,664	\$	92,207	\$	81,526	\$	77,780	\$	404,562	\$	278,045
Average total interest earning assets	\$	17,601,999	\$	17,121,145	\$	13,980,021	\$	10,976,731	\$	10,676,730	\$	14,933,317	\$	10,123,708
Net interest margin, tax equivalent		2.78 %		2.50 %		2.65 %		2.99 %		2.89 %		2.71 %		2.75 %

Net Interest Margin, Tax Equivalent, Excluding PPP - Customers Bancorp
(dollars in thousands except per share data)

GAAP net interest income	\$	122,946	\$	107,439	\$	91,982	\$	81,321	\$	77,593	\$	403,688	\$	277,310
PPP net interest income		(25,257)		(20,018)		(9,308)		—		—		(54,583)		—
Tax-equivalent adjustment		219		225		225		205		187		874		735
Net interest income, tax equivalent, excluding PPP	\$	97,908	\$	87,646	\$	82,899	\$	81,526	\$	77,780	\$	349,979	\$	278,045
GAAP average total interest earning assets	\$	17,601,999	\$	17,121,145	\$	13,980,021	\$	10,976,731	\$	10,676,730	\$	14,933,317	\$	10,123,708
Average PPP loans		(4,782,606)		(4,909,197)		(2,754,920)		—		—		(3,121,157)		—
Adjusted average total interest earning assets	\$	12,819,393	\$	12,211,948	\$	11,225,101	\$	10,976,731	\$	10,676,730	\$	11,812,160	\$	10,123,708
Net interest margin, tax equivalent, excluding PPP		3.04%		2.86%		2.97%		2.99%		2.89%		2.96%		2.75%

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Core Efficiency Ratio - Customers Bancorp
(dollars in thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
GAAP net interest income	\$ 122,946	\$ 107,439	\$ 91,982	\$ 81,321	\$ 77,593	\$ 403,688	\$ 277,310
GAAP non-interest income	\$ 23,775	\$ 33,793	\$ 22,236	\$ 21,930	\$ 25,813	\$ 101,734	\$ 80,938
Loss upon acquisition of interest-only GNMA securities	—	—	—	—	—	—	7,476
(Gains) losses on investment securities	(1,431)	(11,945)	(5,553)	(2,596)	(310)	(21,525)	(2,300)
Derivative credit valuation adjustment	(625)	(378)	5,895	2,556	(565)	7,448	1,066
Risk participation agreement mark-to-market adjustment	—	—	(1,407)	—	—	(1,407)	—
Losses on sale of non-QM residential mortgage loans	—	—	—	—	782	—	782
Unrealized losses on loans held for sale	1,115	—	1,450	—	—	2,565	—
Core non-interest income	22,834	21,470	22,621	21,890	25,720	88,815	87,962
Core revenue	<u>\$ 145,780</u>	<u>\$ 128,909</u>	<u>\$ 114,603</u>	<u>\$ 103,211</u>	<u>\$ 103,313</u>	<u>\$ 492,503</u>	<u>\$ 365,272</u>
GAAP non-interest expense	\$ 71,164	\$ 65,561	\$ 63,506	\$ 66,459	\$ 58,740	\$ 266,690	\$ 231,901
Severance expense	(239)	—	—	—	—	(239)	(490)
Legal reserves	—	(320)	—	(1,042)	—	(1,362)	(2,000)
Merger and acquisition related expenses	(996)	(1,035)	(25)	(50)	(100)	(2,106)	(100)
Core non-interest expense	<u>\$ 69,929</u>	<u>\$ 64,206</u>	<u>\$ 63,481</u>	<u>\$ 65,367</u>	<u>\$ 58,640</u>	<u>\$ 262,983</u>	<u>\$ 229,311</u>
Core efficiency ratio ⁽¹⁾	47.97 %	49.81 %	55.39 %	63.33 %	56.76 %	53.40 %	62.78 %

(1) Core efficiency ratio calculated as core non-interest expense divided by core revenue.

Tangible Common Equity to Tangible Assets - Customers Bancorp
(dollars in thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
GAAP total shareholders' equity	\$ 1,117,086	\$ 1,051,491	\$ 1,007,847	\$ 964,636	\$ 1,052,795
Reconciling items:					
Preferred stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible common equity	<u>\$ 885,317</u>	<u>\$ 819,583</u>	<u>\$ 775,801</u>	<u>\$ 732,295</u>	<u>\$ 820,129</u>
GAAP total assets	\$ 18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717
Reconciling items:					
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible assets	<u>\$ 18,424,950</u>	<u>\$ 18,764,290</u>	<u>\$ 17,888,543</u>	<u>\$ 12,003,929</u>	<u>\$ 11,505,522</u>
Tangible common equity to tangible assets	4.80 %	4.37 %	4.34 %	6.10 %	7.13 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Tangible Book Value per Common Share - Customers Bancorp
(dollars in thousands except share and per share data)

GAAP total shareholders' equity

Reconciling Items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

Common shares outstanding

Tangible book value per common share

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
\$	1,117,086	\$ 1,051,491	\$ 1,007,847	\$ 964,636	\$ 1,052,795
	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
\$	885,317	\$ 819,583	\$ 775,801	\$ 732,295	\$ 820,129
	31,705,088	31,555,124	31,510,287	31,470,026	31,336,791
\$	27.92	\$ 25.97	\$ 24.62	\$ 23.27	\$ 26.17

Total Loans and Leases, excluding PPP
(dollars in thousands)

Total loans and leases

Loans receivable, PPP

Loans and leases, excluding PPP

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
\$	15,832,251	\$ 16,605,279	\$ 15,290,202	\$ 10,321,431	\$ 10,051,074
	(4,561,365)	(4,964,105)	(4,760,427)	—	—
\$	11,270,886	\$ 11,641,174	\$ 10,529,775	\$ 10,321,431	\$ 10,051,074

Total Assets, excluding PPP
(dollars in thousands)

Total assets

Loans receivable, PPP

Total assets, excluding PPP

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
\$	18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717
	(4,561,365)	(4,964,105)	(4,760,427)	—	—
\$	13,877,883	\$ 13,814,622	\$ 13,142,691	\$ 12,018,799	\$ 11,520,717

Coverage of credit loss reserves for loans and leases held for investment, excluding PPP
(dollars in thousands)

Loans and leases receivable

Loans receivable, PPP

Loans and leases held for investment, excluding PPP

Allowance for credit losses on loans and leases

Coverage of credit loss reserves for loans and leases held for investment, excluding PPP

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
\$	12,136,733	\$ 12,664,997	\$ 12,032,874	\$ 7,353,262	\$ 7,318,988
	(4,561,365)	(4,964,105)	(4,760,427)	—	—
\$	7,575,368	\$ 7,700,892	\$ 7,272,447	\$ 7,353,262	\$ 7,318,988
	144,176	155,561	159,905	149,283	56,379
	1.90 %	2.02 %	2.20 %	2.03 %	0.77 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Tangible Common Equity to Tangible Assets, excluding PPP - Customers Bancorp
(dollars in thousands except per share data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
GAAP total shareholders' equity	\$ 1,117,086	\$ 1,051,491	\$ 1,007,847	\$ 964,636	\$ 1,052,795
Reconciling items:					
Preferred stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible common equity	<u>\$ 885,317</u>	<u>\$ 819,583</u>	<u>\$ 775,801</u>	<u>\$ 732,295</u>	<u>\$ 820,129</u>
GAAP total assets	\$ 18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717
Loans receivable, PPP	(4,561,365)	(4,964,105)	(4,760,427)	—	—
Total assets, excluding PPP	\$ 13,877,883	\$ 13,814,622	\$ 13,142,691	\$ 12,018,799	\$ 11,520,717
Reconciling items:					
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible assets	<u>\$ 13,863,585</u>	<u>\$ 13,800,185</u>	<u>\$ 13,128,116</u>	<u>\$ 12,003,929</u>	<u>\$ 11,505,522</u>
Tangible common equity to tangible assets	6.39 %	5.94 %	5.91 %	6.10 %	7.13 %

Commercial criticized loans and leases receivable to total loans and leases, excluding PPP
(dollars in thousands)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Special mention loans	\$ 250,575	\$ 126,361	\$ 105,110	\$ 75,838	\$ 111,157
Substandard loans	202,965	172,217	119,651	130,370	139,744
Doubtful loans	—	—	27,921	19,050	—
Criticized commercial loans and leases receivable	<u>\$ 453,540</u>	<u>\$ 298,578</u>	<u>\$ 252,682</u>	<u>\$ 225,258</u>	<u>\$ 250,901</u>
Total loans and leases	15,753,165	16,605,279	15,290,202	10,321,431	10,051,074
Loans receivable, PPP	(4,561,365)	(4,964,105)	(4,760,427)	—	—
Total loans and leases, excluding PPP	<u>\$ 11,191,800</u>	<u>\$ 11,641,174</u>	<u>\$ 10,529,775</u>	<u>\$ 10,321,431</u>	<u>\$ 10,051,074</u>
Commercial criticized loans and leases receivable to total loans and leases, excluding PPP	4.05 %	2.56 %	2.40 %	2.18 %	2.50 %

Adjusted non-performing assets to total assets
(dollars in thousands)

	Q4 2020
Non-performing assets	\$ 71,175
Collateral dependent loan sold in January 2021	<u>17,251</u>
Adjusted non-performing assets	<u>\$ 53,924</u>
Total assets	\$ 18,439,248
Adjusted non-performing assets to total assets	0.30 %

“High Tech Forward-Thinking Bank Supported by High Touch”

Fourth Quarter & Full Year 2020

Earnings Conference Call

January 28, 2021

Customers  Bancorp, Inc.

NYSE: CUBI



In addition to historical information, this presentation may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.’s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: the adverse impact on the U.S. economy, including the markets in which we operate, of the coronavirus outbreak, and the impact of a slowing U.S. economy and increased unemployment on the performance of our loan and lease portfolio, the market value of our investment securities, the demand for our products and services and the availability of sources of funding; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that effect market interest rates and the money supply; the actions that we and our customers take in response to these developments and the effects such actions have on our operations, products, services and customer relationships; and the effects of changes in accounting standards or policies, including Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (CECL). Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management’s current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2019, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank, except as may be required under applicable law. This does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

I. Overview

- A. Franchise
- B. Key Features

II. Financial Highlights

- A. Capital Trends
- B. Credit Quality
- C. Deposit Mix Shift

III. Outlook

- A. Strategic Priorities
- B. Guidance

IV. Appendix

I. Overview



Customers Bancorp: Franchise Overview

\$13.9B⁽¹⁾ Total Assets (excl. PPP)	\$11.3B⁽¹⁾ Total Loans and Leases (excl. PPP)	\$11.3B Total Deposits	24.26% ROCE 4Q20	1.63%⁽¹⁾ Adjusted PTPP ROAA 4Q20
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Source: S&P Global Market Intelligence and Company Documents
Note: Data as of 12/31/2020, unless otherwise noted
(1) Non-GAAP Measure, refer to Appendix for reconciliation
(2) As of 1/4/2021 post BankMobile divestiture
(3) The Bank's Total Capital Ratio is estimated pending final Call Report

NYSE: CUBI

Headquarters: West Reading, PA

Management Team with 30 years average experience

Financial Offices: 20

FTE Employees: 579⁽²⁾

Mkt. Cap: \$706 million (CUBI) vs. ~\$2.3 billion for average \$14 billion asset banks (at 1/25/21)

Bank Total Capital Ratio: 12.1%⁽³⁾

Lines of Business

Business Banking

- Industry Solutions
- Cash Management
- Business Checking
- Small Bus. Lending
- SBA Lending
- Comm'l & Industrial
- Comm'l Real Estate
- Multifamily Lending
- Warehouse Lending
- Specialty Lending

Personal Banking

- Checking
- Savings & Money Market
- Loans
- CDs
- Mortgages
- Personal Loans

Customers is a high performing technology and relationship-driven commercial bank primarily servicing the Mid-Atlantic and New England regions.

From Startup to ~\$14 Billion in Total Assets (excl. PPP)⁽¹⁾ in ~11 Years

- The Bank was effectively launched in 2010 by the current management team to clean up a \$250 million-in-assets failing bank
- Growth was paused for two years to build capital, take advantage of the Durbin exemption and position the Bank to divest BankMobile Technologies, Inc. ("BMT"). The BMT divestiture closed on January 4, 2021.

Highly Experienced Management Team

- The team averages 30+ years in banking and financial services and has significant financial technology expertise

Outstanding Credit and Risk Culture with Strong Core Deposit Growth

- Asset quality has historically performed in line with or better than peers and is expected to continue to do so during the current economic downturn for the following reasons:
 - Focus on low-risk niches
 - Comprehensive underwriting standards and processes and a conservative credit culture
- Core deposit growth has been strong. Noninterest bearing DDAs are 21% and non-time deposits are 94% of total deposits.

Very Focused with Stated Long-Term Goals

- The Bank's strategy is built on a single point of contact model, principally "Private Banking for Privately held Businesses," a differentiating approach
- We will continue to develop an industry leading in-house digital bank supported by a digital lending platform primarily supporting small businesses and consumers
- We seek to continuously improve the quality of the balance sheet and franchise
- Capital allocation and strong risk management are key components of our asset and earnings generation decision-making process
- We are well positioned to execute on our goals, seeking to earn above \$4.00 in core EPS in 2021, \$4.50 in core EPS in 2023 and \$6.00 in core EPS in 2026

(1) Non-GAAP Measure, refer to Appendix for reconciliation

Branch Light Strategy Supported by Private Banking Teams

- Customers Bank is among the least branch-reliant banks in the U.S. Private Banking Teams work out of Private Banking Offices.
- The Bank maintains 12 branches, yielding an average of \$942 million in deposits per branch at year-end 2020
- Customers Bank ranked among the top 10 best digital banks of 2021 according to Bankrate.com

Superior Digital Capabilities

- Among top tech focused PPP lenders in the United States generating over \$150 million in revenues for the Bank over the next two years
- We offer a fully automated commercial deposit onboarding platform
- Created an online deposit product in November 2020 targeted at High-Net-Worth clients; since then we have brought-in over \$114 million in deposits across 800 accounts
- We utilize top-tier technology platforms including Salesforce, DocuSign, ServiceNow, and Snowflake to digitize processes from the front office to the back office
- To date, we have digitized and automated 140+ processes, saving over 62,000 in team member hours

Digital Lending and Deposits

- Digitally originate consumer installment loans directly as well as through Marketplace Lenders (MPLs) originating on our behalf, subject to our credit box
- Our technology platform allows us to partner and engage with fintechs in a manner not possible for most commercial banks
- Consumer installment loans, mostly sourced digitally, totaled \$1.2 billion at year-end 2020
- 2021 roadmap includes launching small business and SBA lending digital programs
- Digitally generated deposits totaled \$1.3 billion at December 31, 2020, up \$424 million year-over-year
- We offer proprietary online deposit products including Ascent Money Market Savings, High Yield Savings, and Commercial Interest Checking targeted at small and medium sized businesses, High Net Worth, and Highly Liquid customers

II. Financial Highlights

Fourth Quarter & Full Year 2020 Highlights

Earnings

- Diluted EPS of \$1.65 in 4Q20 versus \$0.75 in 4Q19
- Core EPS⁽²⁾ of \$1.65 in 4Q20 versus \$0.75 in 4Q19
- Diluted EPS of \$3.74 in 2020 versus \$2.05 in 2019
- Core EPS⁽²⁾ of \$3.49 in 2020 versus \$2.28 in 2019
- Expect to earn ~\$100 million in pre-tax origination fees from PPP loans with the majority recognized in 1H 2021
- 4Q20 ROAA of 1.23%, ROCE of 24.26%, and adjusted PTPP ROAA of 1.63%⁽²⁾

Asset Quality

- At 12/31/20: the NPAs-to-assets ratio was 0.39% and coverage ratio excluding PPP was 1.90%⁽²⁾. Adjusting for the sale of one MA CRE loan in Jan 2021, total NPAs to total assets as of 12/31/2020 were 0.30%⁽²⁾
- Provision benefit of \$2.9M in 4Q20 compared to provision of \$13.0M in the prior quarter
- Total deferrals were 1.93% of total loans and leases, excluding PPP balances, at 12/31/20⁽²⁾

Loan Portfolio

- Total loans and leases, excluding PPP balances⁽²⁾, increased \$1.2B or 12.1% YOY
- C&I loans grew 26% or \$473M YOY
- The multifamily loan balance is down \$629M YOY

Deposits

- Demand deposits up 84% YOY
- Total cost of deposits down 107 bps YOY to 0.58%

Bank Capital Ratios⁽¹⁾ at 12/31/20

- Capital levels are expected to grow meaningfully through retained earnings for at least the next two-to-three quarters
- CET 1: 10.6%
- Tier 1 Risk Based Capital: 10.6%
- Total Risk Based Capital: 12.1%
- Tier 1 Leverage: 9.2%

Tangible Book Value at 12/31/20

- Tangible Book Value⁽²⁾
 - \$27.92/Share
- Tangible Equity over \$1.0 billion⁽²⁾
 - \$900 million Common Equity
 - \$217 million Preferred Equity

Trading Multiple

- Price-to-Tangible Book Value Ratio of 80% at 1/25/21⁽²⁾

(1) The Bank's Regulatory Capital Ratios are estimated pending final Call Report
(2) Non-GAAP Measure, refer to Appendix for reconciliation

Customers Bancorp: Actual & Projected Capital Metrics



(1) Refers to tangible common equity-to-tangible assets excluding PPP loans. This is a non-GAAP measure; please refer to the Appendix for reconciliation.

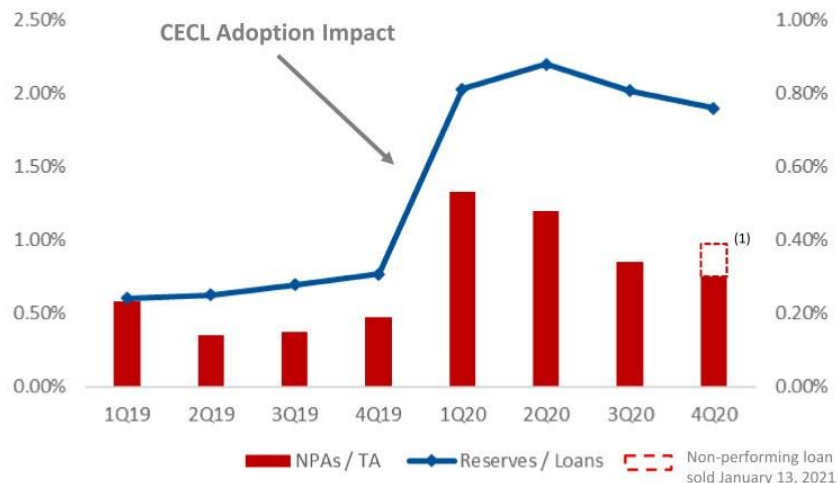
(2) 4Q20 Total Capital Ratio estimated pending Final Call Report

Note: The "Actual & Projected Capital Metrics" chart includes our estimates of future performance. Please refer to the Forward-Looking Statements slide for more information.

Highlights:

- Added \$118 million in retained earnings in 2020 (Excl. day 1 CECL impact)
- Our participation in the Paycheck Protection Program, as well as strong core earnings, will have a "sling shot" effect on tangible common equity.
- Tangible Common Equity (TCE) to Total Assets (TA) Ratios are currently deflated primarily due to a temporarily larger balance sheet tied to PPP loans and elevated mortgage warehouse balances.
- We project the recognition of PPP deferred origination fees and interest income to drive the Company's TCE/TA Ratio⁽¹⁾ excluding PPP loans to 7.5%-8.0% and Total Capital Ratio to greater than 13.0% by year-end 2021.
- Customers Bancorp has another \$217 million in preferred equity boosting its tangible equity to tangible assets by another ~150bps

Recent Credit Quality Metrics



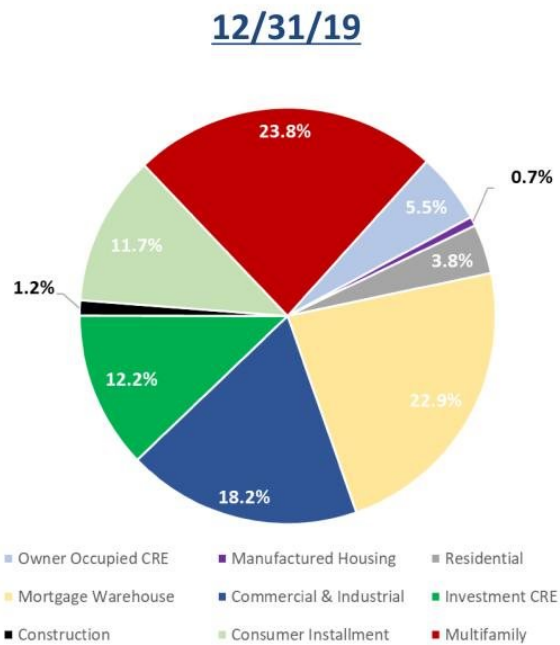
(1) 4Q20 shows NPAs to total loans both with and without the \$17.3M tied to one CRE Loan located in MA that was resolved in January 2021

Note: The coverage of credit losses reserves for loans and leases held for investment, excludes PPP loans, mortgage warehouse loans, and loans held for sale.

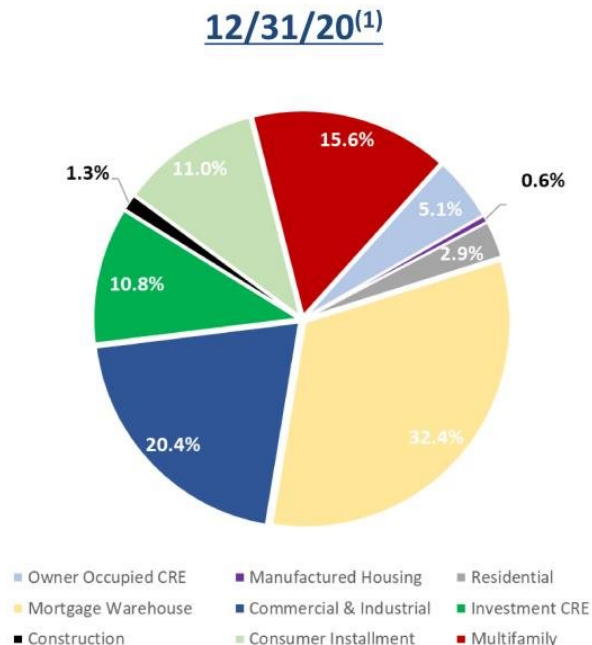
Highlights:

- Credit quality remains strong as evidenced by NPAs/Total Assets of only 0.39% at 12/31/20.
- NPAs at year-end included \$17.3M tied to one CRE loan located in MA that was resolved in January 2021. Adjusting for this total NPAs to total assets as of 12/31/2020 were 0.30%⁽¹⁾
- Bolstered by the adoption of CECL on January 1, 2020, the coverage ratio, excluding PPP loans⁽¹⁾, was 1.90% at 12/31/20, well above peers.
- Due to the Bank's history of focusing on lower credit risk businesses, we expect near-term credit losses to remain stable.

(1) Non-GAAP Measure, refer to Appendix for reconciliation



Total Loans (excl. PPP) - \$10.1B



Total Loans (excl. PPP) - \$11.3B

(1). Excludes PPP loan balances, Non-GAAP Measure, refer to Appendix for reconciliation

Components of Reserve Build in 2020



(1) "Day 1" is January 1, 2020.

(2) Utilized Moody's December 2020 Baseline forecast with qualitative adjustments for 4Q20 provision. Excludes reserve for unfunded commitments with ACL balances of \$3.4M, \$4.2M, \$3.8M, \$3.3M, and \$2.3M as of January 1, 2020, March 31, 2020, June 30, 2020, September 30, 2020, and December 31, 2020, respectively. Includes the impact of macroeconomic environment, including COVID-19, provision for individually assessed loans and other qualitative factors.

Note: "Loans HFI" excludes held for sale loans, PPP loans, and mortgage warehouse loans held for investment. This is a non-GAAP Measure; please refer to the Appendix for reconciliation.

Allowance for Credit Losses for Loans and Leases

(\$ in thousands)	CECL Method ⁽¹⁾		
	12/31/2020		
	Allowance for		
	Amortized Cost	Credit Losses	Lifetime Loss Rate
Loans and leases receivable:			
<u>Commercial</u>			
Multifamily	\$1,761,301	\$12,620	0.72%
Commercial and Industrial	\$2,289,441	\$12,239	0.53%
Commercial Real Estate Owner Occupied	\$572,338	\$9,512	1.66%
Commercial Real Estate Non-Owner Occupied	\$1,196,564	\$19,452	1.63%
Construction	\$140,905	\$5,871	4.17%
Total Commercial Loans and Leases Receivable	\$5,960,549	\$59,694	1.00%
<u>Consumer</u>			
Residential Real Estate	\$317,170	\$3,977	1.25%
Manufactured Housing	\$62,243	\$5,189	8.34%
Installment	\$1,235,406	\$75,316	6.10%
Total Consumer Loans Receivable	\$1,614,819	\$84,482	5.23%
Total Loans and Leases Receivable HFI (excl. PPP loans)	\$7,575,368	\$144,176	1.90%

(1) Utilized Moody's December 2020 Baseline forecast with qualitative adjustments for 4Q20 provision.

Loan & Lease Deferments

Customers Bancorp: Total Loan and Lease Deferments

(\$ in millions)	7/24/2020		9/30/2020		12/31/2020 ⁽¹⁾	
	Deferments	% of Portfolio	Deferments	% of Portfolio	Deferments	% of Portfolio
C&I and Investment CRE						
C&I	\$45.9	2.1%	\$18.6	0.8%	\$5.4	0.2%
SBA	\$13.4	13.4%	\$6.0	4.8%	\$7.4	6.9%
Investment CRE & Multifamily	\$251.2	9.0%	\$101.0	3.7%	\$39.9	1.6%
Hotels	\$301.5	72.9%	\$126.4	31.3%	\$125.9	31.0%
Equipment Finance						
Motor Coach	\$18.1	48.5%	\$25.0	67.8%	\$22.5	61.8%
Transportation	\$29.8	29.0%	\$0.0	0.0%	\$1.0	0.0%
Franchise	\$1.8	5.1%	\$0.0	0.0%	\$0.0	0.0%
Equipment Finance- Other	\$29.2	9.3%	\$0.0	0.0%	\$0.0	0.0%
Mortgage Warehouse						
Mortgage Warehouse	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Consumer						
Consumer Installment	\$22.6	1.8%	\$15.1	1.2%	\$9.5	0.8%
Home Mortgage	\$34.9	10.9%	\$9.0	2.6%	\$6.0	1.9%
Manufactured Housing	\$2.1	3.1%	\$0.9	1.4%	\$0.9	1.4%
Total Deferred⁽²⁾	\$750.5	7.3%	\$302.0	2.6%	\$218.5	1.9%

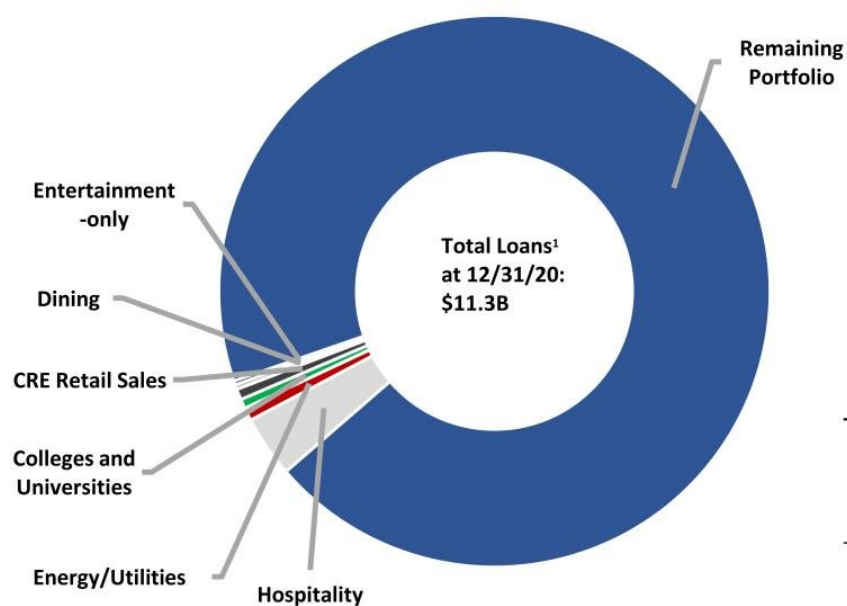
(1) The 12/31/2020 figures are all actual deferrals with none pending.

(2) "% of Portfolio" data in this row excludes PPP loans.

Majority Deferments - Principal Only

12/31/2020 Commercial Loan Deferments

(\$ in millions)	Total Deferments	Principal Only	% of Portfolio	Principal & Interest	% of Portfolio
C&I	\$5.4	\$0.0	0%	\$5.4	100.0%
SBA	\$7.4	\$0.0	0%	\$7.4	100.0%
Investment CRE & Multifamily	\$39.9	\$38.0	95%	\$1.9	4.8%
Hotels	\$125.9	\$66.7	53%	\$59.2	47.0%
Motor Coach	\$22.5	\$2.7	12%	\$19.8	88.0%
Transportation	\$1.0	\$0.0	0%	\$1.0	100.0%
Franchise	\$0.0	\$0.0	0%	\$0.0	0.0%
Other	\$0.0	\$0.0	0%	\$0.0	0.0%
Total Deferred⁽²⁾	\$202.1	\$107.4	53.1%	\$94.7	46.9%



COVID-19 At-Risk Industries as identified by Customers totaled only 6.1% of loans at 12/31/20, excluding PPP loans⁽¹⁾

COVID-19 At-Risk Industries (12/31/20)

Industry	Loan Balance (M)	% of Total Loans	Loan Deferrals (M)
Hospitality	\$406	3.6%	\$126
Energy/Utilities	\$87	0.8%	\$0
Colleges and Universities	\$62	0.5%	\$0
Retail Sales	\$72	0.6%	\$0
Dining	\$30	0.3%	\$0
Entertainment-only	\$27	0.2%	\$0
Remaining Portfolio	\$10,588	93.9%	\$76
Total Loans¹	\$11,271	100.0%	\$202

(1) Total Loans excluding PPP loans, Non-GAAP Measure, refer to Appendix for reconciliation

Portfolio as of 12/31/2020

- Total portfolio of approximately \$406M, which represents approximately 3.6% of the Bank's total loans excluding PPP balances

Portfolio Composition

- Nearly 20.0% (\$81.0M) is currently operating under government contracts for transitional housing
- Approximately 4.0% (\$15.8M) is comprised of SBA Guaranteed Loans
- Nearly 19.0% (\$76.1M) represents high-end destination hotels (Cape May/Avalon, NJ; Long Island, NY) that operated near capacity last summer and possess ample access to liquidity to sustain operations
- Approximately 43.2% (\$172.9M) possessed one of these risk mitigating factors

Portfolio Support

- Approximately 77.0% (\$308.1M) is currently supported by some form of additional support or guarantees
- Nearly 79.3% (\$317.5M) represents "flagged" facilities, with the majority of the non-flagged being the Cape May/Avalon NJ and Long Island, NY high-end destination hotels

Positive Portfolio Trends

- Deferments decreased from \$301.5M or approximately 72.9% of the hospitality portfolio at 7/24/20 to \$125.9M or approximately 31.4% of the hospitality portfolio as of 12/31/2020
- Of the \$125.9M in deferments as of 12/31/2020, approximately 53.0% (\$66.7M) consisted of principal payment only deferrals
- Overall, occupancy trends have been gradually improving. No hospitality loans transitioned into non-performing status in 3Q20 or 4Q20
- We do not expect any hospitality loans to migrate to non-performing status over the next few quarters

Portfolio as of 12/31/2020:

- Total portfolio of approximately \$359M
- Total number of clients 24
- Average loan size ~\$15M

Portfolio Composition:

- Portfolio consist of Senior Living credit facilities with the majority (95%) in the Skilled Nursing sector
- Total number of beds 5500
- Geographic diversity
 - 34% New York, New Jersey Pennsylvania
 - 17% New England
 - 30% Midwest
 - 17% Southeast

Portfolio Support:

- Approximately 95.0% (\$361M) is currently supported by recourse
- Majority of revenue derived from government receivables with excellent collectability

Positive Portfolio Trends:

- No deferrals requested as of 12/30/2020
- No loans transitioned into Non-Performing Status

Commercial Real Estate Portfolio
(in millions)



Multifamily Portfolio: 12/31/20

- Weighted average LTV is 61%
- Average principal balance per loan is \$4.9M
- Well-seasoned portfolio with an average of 3.8 years since origination
- Conservative underwriting of a minimum Debt Service Coverage Ratio of 1.25x based on in place cash flow
- 55% of Multifamily is in New York City
- 69% of the NYC portfolio is rent-regulated
- Deferment balances were only \$11M at 12/31/20

Investment CRE Portfolio: 12/31/20

- Weighted average LTV is 64%
- Average principal balance per loan is \$1.7M
- Well-seasoned portfolio with an average of 3.9 years since origination
- Conservative underwriting with minimum Debt Service Coverage Ratio of 1.30x based on in place cash flow
- 27% of Investment CRE is in the New York Metro Area; 24% is in the Philadelphia Metro Area
- Deferment balances were only \$29M at 12/31/20

Construction Portfolio: 12/31/20

- Minimal exposure (1.1% of total loans)
- No loans on deferment

Overview

- Loans to mortgage companies (mortgage warehouse) totaled \$3.7 billion at 12/31/20, up \$1.4 billion or 59% year-over year.
- The majority of this growth was achieved in 3Q20, driven by greater refinance activity due to sharply lower interest rates, an increase in home purchase volumes, and market share gains from other banks.
- Annual turnover of \$61B
- Approximate market share of all U.S Mortgages of 2%

Very Low Credit Risk Profile with Strong Deposits and Fee Income

- The business assumes unusually low credit risk due to the following factors:
 - Loans are originated and sold in generally less than 30 days; 90-95% of loans are Fannie, Freddie or Ginnie eligible
 - We generally advance 98-99% of the underlying note amount but the loans typically have a market value of 102-105% of the note amount
 - This line of business had total deposits of \$1.3B at 12/31/20 and fee income of \$3.7M in 4Q20

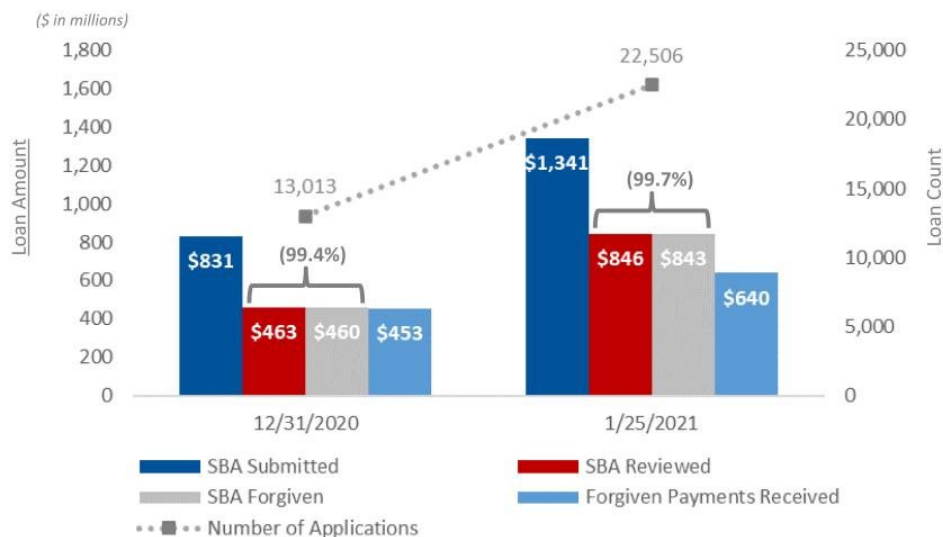
Outlook

- The Mortgage Bankers Association forecasts industry mortgage volumes to decline 23% in 2021 and an additional 20% in 2022 owing to a moderation in refinance activity
- In consideration of these trends and factors specific to Customers, we expect loans to mortgage companies to decline in the second half of 2021 ending the year between \$1.6 - \$2.4 billion.
- A \$1.0 billion decline in loans to mortgage companies increases Customer Bancorp's Total Capital Ratio by approximately 115 bps and TCE-to-TA ratio excluding PPP⁽¹⁾ loans by 58 bps.

(1) Refers to tangible common equity-to-tangible assets excluding PPP loans. This is a non-GAAP measure; please refer to the Appendix for reconciliation.

A top lender in nation with over \$5B in PPP loans to over 100k customers (2% of all PPP loans)

PPP Portfolio Forgiveness Status



Strong Forgiveness Performance

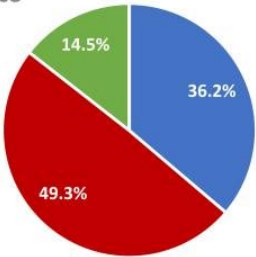
- As of 12/31/20 we had 13,013 forgiveness applications submitted to SBA totaling \$831M, with a 99.4% forgiveness on principal repayment for transactions processed.
 - Cumulative payment of \$453M received from SBA for 7,978 loans
- Congress instated a borrower certified EZ forgiveness application in December 2020 stimulus bill for all loans below \$150k (93.7% of all CB loans)
- As of 1/25/21 we had 22,506 applications submitted to SBA for \$1.3B, with a 99.7% forgiveness on principal repayment for transactions processed.
 - Cumulative payment of \$640M received from SBA for 15,094 loans

Note: Figures inclusive of EIDL which will be reimbursed per updated program guidelines

- Opened up application portal on Monday January 11th
- Established an end-to-end white label “PPP-as-a-Service” technology platform for banks, lenders and referral partners that includes loan processing, origination, funding, servicing and forgiveness
- Revised fee structure of a minimum fee of \$2,500 for loans between \$5,000 and \$50,000; would have resulted in over \$70M of origination fee to the Bank in PPP 1/2.
- As of January 22nd we had well over 50,000 applications in process with an average loan size of under \$50k and trending lower
- Over 70% of pipeline represents First Draw PPP applicants with <\$40,000 average loan size with Second Draw PPP applicants with ~\$72,000 average loan size
- Funding began last Friday January 22nd; ~3,000 SBA loan numbers received on Monday January 25th

FICO Score⁽¹⁾

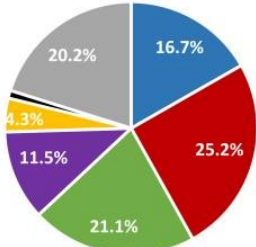
740 Avg FICO



750+ 700-749 660-699

Debt to Income Ratio

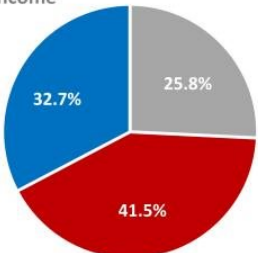
Portfolio average DTI is 19.2%



0-9.99% 10-19.99% 20-29.99% 30-39.99% 40-49.99% >50% Unknown

Borrower Income

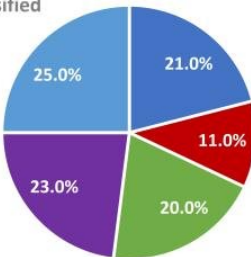
\$91K Avg Income



<\$49,999 \$50K-\$99,999 >\$100K n/a

Geography

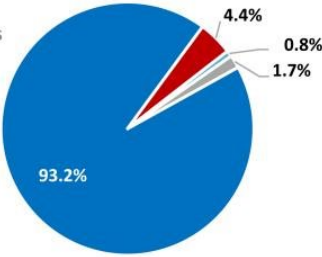
Well Diversified



West Southwest Midwest Southeast Northeast

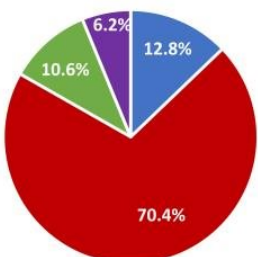
Profession

Insignificant exposure to stressed professions



Non COVID-19 Impacted Segments Non-Professional Retail & Restaurants Transportation, Travel and Entertainment

Purpose

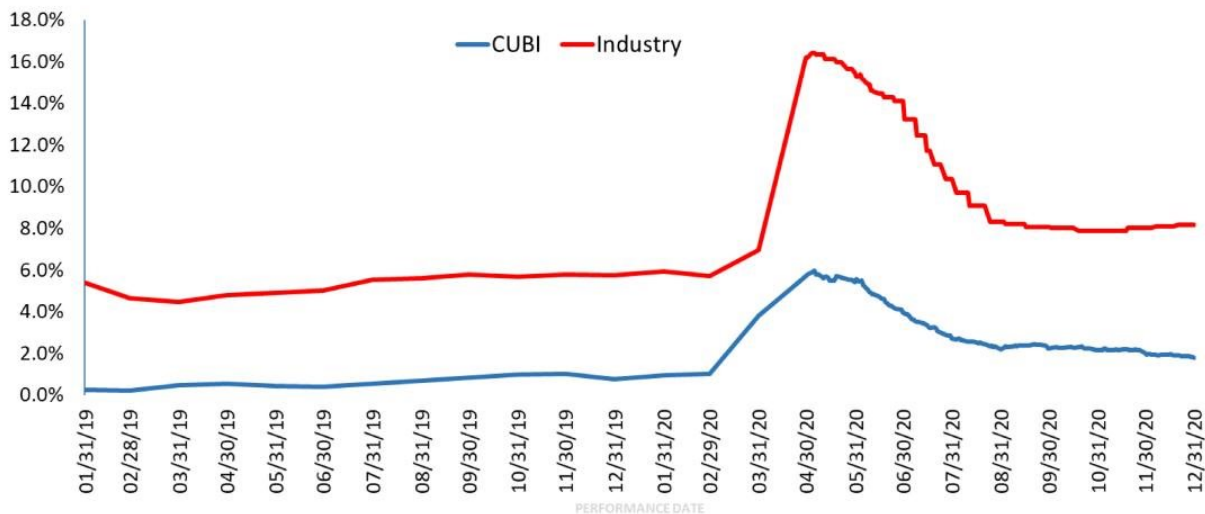


Home Improvement Personal Loan Specialty Student Loan

(1) FICO score at time of origination
Data as of December 31, 2020

Consumer Installment Loans Performance Remains Strong

Consumer Installment Payment Impairments



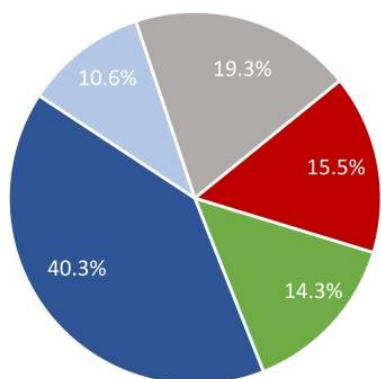
Continued Outperformance

- At industry peak for consumer forbearance, CB overall remained less than half the industry average
- Further, CB Direct was approximately 70% below industry average

Note: Customers Bancorp’s impairment percentages are considered 1 day+ delinquent or in forbearance. Industry chart is from DV01 Insights COVID-19 Performance Report dated January 6, 2021.

Deposit Growth and Mix Shift

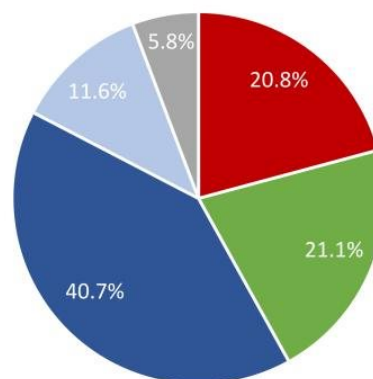
12/31/19



■ Noninterest Bearing DDAs ■ Interest Bearing DDAs
 ■ Money Market Accounts ■ Savings Accounts
 ■ Certificates of Deposit

Total Deposits - \$8.6B

12/31/20



■ Noninterest Bearing DDAs ■ Interest Bearing DDAs
 ■ Money Market Accounts ■ Savings Accounts
 ■ Certificates of Deposit

Total Deposits - \$11.3B

Significant Funding Mix Improvement Achieved Due to PPP Participation and Core Trends

- Total deposit growth of \$2.7B (30.8%) YoY, which included \$2.2B (83.9%) increase in demand deposits.
- The non-time deposits-to-total deposits ratio climbed to 94.2% at 12/31/20 from 80.7% at 12/31/19
- Cost of deposits dropped to 0.58% in 4Q20 from 1.65% in the year-ago quarter and are expected to decline further

III. Outlook



C&I Lending

- Continue to focus on building franchise value by expanding our community banking strategy, lending to small-to-mid sized businesses and deposit gathering
- Loans expected to grow about 7% to 10% over the next year
- Our commercial finance business is expected to grow 10% to 15% in 2021

Niche Businesses

- Certain specialty lending and healthcare businesses offer significant growth opportunities in very low credit risk niches
- We expect all niche business to grow 10%+ in 2021

Digital Lending

- Consumer Installment: expect to originate majority of loans direct in 2021 while growing to 15%+ of total assets
- SBA Lending: seek to grow this low-risk line of business significantly in 2021, especially given increase in guarantee to 90% with recent legislation
- Small Business Lending: launching end-to-end automated small business lending in 2021 initially targeted to PPP Customers

Market Expansion and Other Strategies

- Continuing to be very selective in CRE markets
- Manage to about \$1.5 billion exposure in multifamily
- The balance of commercial loans to mortgage companies is expected to decline to \$2.8 - \$3.2 billion at March 31, 2021 and \$1.6 - \$2.4 billion at December 31, 2021
- Evaluate contiguous and select regional markets for community banking expansion

- **Our updated financial guidance is as follows:**
 - Loan growth, excluding PPP and mortgage warehouse balances, is expected to average in the mid-to-high single digits over the next several quarters.
 - The balance of commercial loans to mortgage companies is expected to decline to \$2.8-\$3.2 billion at March 31, 2021 and \$1.6-\$2.4 billion at December 31, 2021.
 - The Total Capital Ratio is expected to exceed 13.0% by year-end 2021. The TCE-to-TA ratio excluding PPP loans is expected to be 7.5-8.0% by year-end 2021.
 - We project the NIM excluding PPP loans to expand into the 3.10%-3.30% range in 4Q21.
 - Impacted by the divestiture of BankMobile, we project noninterest income of \$9.0-\$11.0 million and operating expenses of \$59.0-\$61.0 million in 1Q21 (excluding BankMobile related severance expense).
 - We project an effective tax rate for 2021 of 21.0%-22.0%.
 - Our earnings trend is likely to be volatile over the next several quarters owing to our participation in PPP. We expect to earn at least \$4.50 in core EPS in 2023 and remain on track to earn \$6.00 in core EPS in 2026.
- **2021 NIM expansion is expected to be achieved by:**
 - Remixing the loan portfolio away from commercial loans to mortgage companies toward other C&I categories and consumer loans
 - Bringing our cost of deposits down to less than 40 bps in the near future

Path to Core EPS of \$6.00 in 2026

Position at year-end 2020

- \$13.9 billion in core assets¹
- 31.7 million diluted shares outstanding

Growth Assumptions

- Asset growth of 7.0%-10.0% per year on average in the 2021-2026 period
- Diluted shares outstanding growth of 1.0% per annum

Where we expect to end up at year-end 2026

- \$18-\$20 billion in assets with about \$1.7 billion in common equity
- ~33.7 million diluted shares outstanding
- At a Return on Assets of 1.00%-1.10%:
 - ~\$200 million in core net income
 - **~\$6.00 in Core EPS annualized**

Note: The "Path to Core EPS of \$6.00 by 2026" includes our estimates of future performance. Please refer to the Forward-Looking Statements slide for more information.

(1) Excludes PPP loan balances, a non-GAAP measure. Please refer to the Appendix for reconciliation.

IV. Appendix



Liquidity Sources (\$000)	4Q19	1Q20	2Q20	3Q20	4Q20	YOY
						Change
Cash (Int. Earning Deposits)	\$179,410	\$237,390	\$1,022,753	\$325,594	\$615,264	\$435,854
FHLB Available Capacity	\$1,159,970	\$882,013	\$1,078,520	\$929,508	\$684,936	(\$475,033)
FRB Available Capacity	\$136,842	\$9,931	\$152,410	\$215,000	\$220,000	\$83,158
Investments (MV)						
US Gov't & Agency	\$0	\$0	\$0	\$40,008	\$20,034	\$20,034
MBS & CMO	\$294,011	\$349,994	\$303,481	\$333,845	\$359,606	\$65,595
Municipals	\$0	\$15,157	\$18,389	\$18,260	\$18,291	\$18,291
Corporates	\$298,877	\$348,855	\$386,389	\$363,872	\$395,621	\$96,745
ABS	\$0	\$0	\$0	\$375,381	\$409,512	\$409,512
Less: Pledged Sec.	(\$20,375)	(\$19,951)	(\$16,924)	(\$20,053)	(\$18,849)	\$1,526
Net Unpledged Sec.	\$572,512	\$694,055	\$691,336	\$1,111,313	\$1,184,216	\$611,704
	\$2,048,734	\$1,823,389	\$2,945,018	\$2,581,415	\$2,704,416	\$655,683

Paycheck Protection Program

\$100M+ in Anticipated Origination Fee Growth

Customers Bank leveraged its technology platform to partner with leading fintechs becoming a top PPP Loan originator in the country

- Customers Bank rose to the challenge of helping American small business preserve employment by quickly and effectively launching a nationwide SBA Paycheck Protection Program ("PPP") lending program in just days.
- Customers Bank partnered with leading fintechs as a force multiplier for PPP application intake and processing, handling more than 136,325 PPP loan applications (including those cancelled and/or duplicated by other lenders).
- Customers Bank provided 102,799 PPP loans totaling \$5,112,374,125.
- The bank will realize over \$100m of loan origination fees over the life of the loans.
- Digital marketing campaigns drove thousands of applicants to the Customers Bank online application.
- Rapid digitization of back office processes created speed and efficiency in the processing and booking of PPP loans.
- Thousands of PPP borrowers have been contacted as part of outreach campaigns to create a deep and permeant banking relationship. Content marketing to thousands of borrowers continues.
- An active PPP Loan forgiveness program is underway.

Select Fintech Partners



PPP Lenders Ranked by Number of Loans, Aggregate Value & Average Loan						
Financial Institution	Ranked by # Loans	# Loans	Ranked by Loan Value	Total Loan Value (millions)	Ranked by Ave. Loan	Average Loan
Bank of America	1	334,761	2	\$25,203,076,316	5	\$75,287
JPMorgan Chase Bank	2	269,424	1	\$29,066,127,405	8	\$107,882
Wells Fargo Bank	3	185,598	5	\$10,470,396,296	3	\$56,414
Cross River Bank	4	134,472	13	\$5,361,597,126	1	\$39,871
Customers Bank	5	102,799	14	\$5,112,374,125	2	\$49,735
U.S. Bank	6	101,377	8	\$7,444,906,047	4	\$73,438
TD Bank	7	82,773	6	\$8,468,624,019	7	\$102,311
Truist Bank	8	78,669	3	\$13,075,965,877	11	\$166,215
PNC Bank	9	72,908	4	\$13,038,347,212	13	\$178,833
Citizens Bank	10	49,670	15	\$5,007,022,864	6	\$100,806
Zions Bank	11	46,707	9	\$6,941,735,934	10	\$148,623
KeyBank	12	41,487	7	\$8,138,794,697	15	\$196,177
Fifth Third Bank	13	38,197	12	\$5,434,319,532	9	\$142,271
Huntington Bank	14	37,122	11	\$6,528,043,675	12	\$175,854
M&T Bank	15	34,680	10	\$6,791,223,167	14	\$195,825

Data for comparisons, SBA as of August 8, 2020
Customers Bank includes originations with fintech partners as of January 25, 2021

Detailed Financial Ratios

Q4 2020 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2020 and the preceding four quarters:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

(Dollars in thousands, except per share data and stock price data)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Year Ended December 31,	
						2020	2019
GAAP Profitability Metrics:							
Net income available to common shareholders	\$ 52,831	\$ 47,085	\$ 19,137	\$ (515)	\$ 23,911	\$ 118,537	\$ 64,868
Per share amount:							
Earnings per share - basic	\$ 1.67	\$ 1.49	\$ 0.61	\$ (0.02)	\$ 0.76	\$ 3.76	\$ 2.08
Earnings per share - diluted	\$ 1.65	\$ 1.48	\$ 0.61	\$ (0.02)	\$ 0.75	\$ 3.74	\$ 2.05
Book value per common share ⁽¹⁾	\$ 28.37	\$ 26.43	\$ 25.08	\$ 23.74	\$ 26.66	\$ 28.37	\$ 26.66
CUBI stock price ⁽¹⁾	\$ 18.18	\$ 11.20	\$ 12.02	\$ 10.93	\$ 23.81	\$ 18.18	\$ 23.81
CUBI stock price as % of book value ⁽¹⁾	64 %	42 %	48 %	46 %	89 %	64 %	89 %
Average shares outstanding - basic	31,638,447	31,517,504	31,477,591	31,391,151	31,306,813	31,506,699	31,183,841
Average shares outstanding - diluted	31,959,100	31,736,311	31,625,771	31,391,151	31,876,341	31,727,784	31,646,216
Shares outstanding ⁽¹⁾	31,705,088	31,555,124	31,510,287	31,470,026	31,336,791	31,705,088	31,336,791
Return on average assets ("ROAA")	1.23 %	1.12 %	0.62 %	0.11 %	0.97 %	0.85 %	0.74 %
Return on average common equity ("ROCE")	24.26 %	23.05 %	9.97 %	(0.26) %	11.58 %	14.55 %	8.30 %
Efficiency ratio	48.98 %	50.71 %	58.44 %	66.03 %	56.98 %	55.11 %	65.15 %
Non-GAAP Profitability Metrics ⁽²⁾:							
Core earnings	\$ 52,648	\$ 38,210	\$ 19,174	\$ 603	\$ 23,843	\$ 110,634	\$ 72,013
Adjusted pre-tax pre-provision net income	\$ 74,883	\$ 64,176	\$ 50,766	\$ 38,595	\$ 44,676	\$ 228,420	\$ 135,558
Per share amount:							
Core earnings per share - diluted	\$ 1.65	\$ 1.20	\$ 0.61	\$ 0.02	\$ 0.75	\$ 3.49	\$ 2.28
Tangible book value per common share ⁽¹⁾	\$ 27.92	\$ 25.97	\$ 24.62	\$ 23.27	\$ 26.17	\$ 27.92	\$ 26.17
CUBI stock price as % of tangible book value ⁽¹⁾	65 %	43 %	49 %	47 %	91 %	65 %	91 %
Core ROAA	1.22 %	0.93 %	0.62 %	0.15 %	0.97 %	0.80 %	0.81 %
Core ROCE	24.17 %	18.71 %	9.99 %	0.30 %	11.55 %	13.58 %	9.21 %
Adjusted ROAA - pre-tax and pre-provision	1.63 %	1.43 %	1.39 %	1.34 %	1.57 %	1.46 %	1.27 %
Adjusted ROCE - pre-tax and pre-provision	32.82 %	29.74 %	24.59 %	17.41 %	19.89 %	26.31 %	15.49 %
Net interest margin, tax equivalent	2.78 %	2.50 %	2.65 %	2.99 %	2.89 %	2.71 %	2.75 %
Net interest margin, tax equivalent, excluding PPP loans	3.04 %	2.86 %	2.97 %	2.99 %	2.89 %	2.96 %	2.75 %
Core efficiency ratio	47.97 %	49.81 %	55.39 %	63.33 %	56.76 %	53.40 %	62.78 %
Asset Quality:							
Net charge-offs	\$ 8,472	\$ 17,299	\$ 10,325	\$ 18,711	\$ 4,362	\$ 54,807	\$ 7,820
Annualized net charge-offs to average total loans and leases	0.21 %	0.45 %	0.32 %	0.79 %	0.18 %	0.41 %	0.08 %
Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾	0.45 %	0.38 %	0.56 %	0.49 %	0.21 %	0.45 %	0.21 %
Reserves to NPLs ⁽¹⁾	204.48 %	244.70 %	185.36 %	296.44 %	264.67 %	204.48 %	264.67 %
Non-performing assets ("NPAs") to total assets	0.39 %	0.34 %	0.48 %	0.53 %	0.19 %	0.39 %	0.19 %
Customers Bank Capital Ratios ⁽³⁾:							
Common equity Tier 1 capital to risk-weighted assets	10.61 %	10.12 %	10.64 %	10.60 %	11.32 %	10.61 %	11.32 %
Tier 1 capital to risk-weighted assets	10.61 %	10.12 %	10.64 %	10.60 %	11.32 %	10.61 %	11.32 %
Total capital to risk-weighted assets	12.06 %	11.62 %	12.30 %	12.21 %	12.93 %	12.06 %	12.93 %
Tier 1 capital to average assets (leverage ratio)	9.21 %	9.29 %	9.59 %	9.99 %	10.38 %	9.21 %	10.38 %

(1) Metric is a spot balance for the last day of each quarter presented.

(2) Non-GAAP measures exclude unrealized gains (losses) on loans NRE, investment securities gains and losses, severance expense, merger and acquisition-related expenses, losses realized from the sale of non-QM residential mortgage loans, loss upon acquisition of interest-only GNMA securities, held reserves, credit valuation adjustments on derivatives, risk participation agreement mark-to-market adjustments, and goodwill and intangible assets. These non-GAAP measures are not included in Customers' disclosures of core earnings and other core profitability metrics. Please note that not each of the aforementioned adjustments affected the reported amount in each of the periods presented. Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q4 2020 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected an option to delay the estimated impact of CECL on its regulatory capital over a five-year transition period ending January 1, 2025. As a result, capital ratios and amounts as of Q4 2020 exclude the impact of the increased allowance for credit losses on loans and leases and off-balance loan commitments attributed to the adoption of CECL, and 50% of the quarterly provision for credit losses for subsequent quarters through Q4 2021.

Reconciliation of Non-GAAP Measures - Unaudited

Customers believes that the non-GAAP measurements disclosed within this document are useful for investors, regulators, management and others to evaluate our core results of operations and financial condition relative to other financial institutions. These non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in Customers' industry. These non-GAAP financial measures exclude from corresponding GAAP measures the impact of certain elements that we do not believe are representative of our ongoing financial results, which we believe enhance an overall understanding of our performance and increases comparability of our period to period results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

The following tables present reconciliations of GAAP to non-GAAP measures disclosed within this document.

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

Core Earnings - Customers Bancorp

(\$ in thousands, not including per share amounts)

	Q4 2020		Q3 2020		Q2 2020		Q1 2020		Q4 2019	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 52,831	\$ 1.65	\$ 47,085	\$ 1.48	\$ 19,137	\$ 0.61	\$ (515)	\$ (0.02)	\$ 23,911	\$ 0.75
Reconciling items (after tax):										
Severance expense	171	0.01	-	-	-	-	-	-	-	-
Loss upon acquisition of interest-only GNMA securities	-	-	-	-	-	-	-	-	-	-
Merger and acquisition related expenses	714	0.02	833	0.03	19	-	40	-	76	-
Legal reserves	-	-	258	0.01	-	-	830	0.03	-	-
(Gains) losses on investment securities	(1,419)	(0.04)	(9,662)	(0.30)	(4,543)	(0.14)	(1,788)	(0.06)	(310)	(0.01)
Derivative credit valuation adjustment	(448)	(0.01)	(304)	(0.01)	4,527	0.14	2,036	0.06	(429)	(0.01)
Risk participation agreement mark-to-market adjustment	-	-	-	-	(1,080)	(0.03)	-	-	-	-
Losses on sale of non-QM residential mortgage loans	-	-	-	-	-	-	-	-	595	0.02
Unrealized losses on loans held for sale	799	0.03	-	-	1,114	0.04	-	-	-	-
Core earnings	\$ 52,648	\$ 1.65	\$ 38,210	\$ 1.20	\$ 19,174	\$ 0.61	\$ 603	\$ 0.02	\$ 23,843	\$ 0.75

Core Earnings - Customers Bancorp

(\$ in thousands, not including per share amounts)

	Twelve Months Ended December 31,			
	2020		2019	
	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 118,537	\$ 3.74	\$ 64,868	\$ 2.05
Reconciling items (after tax):				
Severance expense	171	0.01	373	0.01
Loss upon acquisition of interest-only GNMA securities	-	-	5,682	0.18
Merger and acquisition related expenses	1,606	0.05	76	-
Legal reserves	1,088	0.03	1,520	0.05
(Gains) losses on investment securities	(17,412)	(0.55)	(1,912)	(0.06)
Derivative credit valuation adjustment	5,811	0.18	811	0.03
Risk participation agreement mark-to-market adjustment	(1,080)	(0.03)	-	-
Losses on sale of non-QM residential mortgage loans	-	-	595	0.02
Unrealized losses on loans held for sale	1,913	0.06	-	-
Core earnings	\$ 110,634	\$ 3.49	\$ 72,013	\$ 2.28

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

*Adjusted Net Income and Adjusted ROAA -
Pre-Tax Pre-Provision - Customers Bancorp
(\$ in thousands)*

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Twelve Months Ended December 31,	
						2020	2019
GAAP net income	\$ 56,245	\$ 50,515	\$ 22,718	\$ 3,100	\$ 27,526	\$ 132,578	\$ 79,327
Reconciling items (after tax):							
Income tax expense	22,225	12,201	7,048	1,906	7,451	43,380	22,793
Provision for credit losses on loans and leases	(2,913)	12,955	20,946	31,786	9,689	62,774	24,227
Provision for credit losses on unfunded commitments	(968)	(527)	(356)	751	3	(1,100)	(403)
Severance expense	239	-	-	-	-	239	490
Loss upon acquisition of interest-only GNMA securities	-	-	-	-	-	-	7,476
Merger and acquisition related expenses	996	1,035	25	50	100	2,106	100
Legal reserves	-	320	-	1,042	-	1,362	2,000
(Gains) losses on investment securities	(1,431)	(11,945)	(5,553)	(2,596)	(310)	(21,525)	(2,300)
Derivative credit valuation adjustment	(625)	(378)	5,895	2,556	(565)	7,448	1,066
Risk participation agreement mark-to-market adjustment	-	-	(1,407)	-	-	(1,407)	-
Losses on sale of non-QM residential mortgage loans	-	-	-	-	782	-	782
Unrealized losses on loans held for sale	1,115	-	1,450	-	-	2,565	-
Adjusted net income - pre-tax pre-provision	\$ 74,883	\$ 64,176	\$ 50,766	\$ 38,595	\$ 44,676	\$ 228,420	\$ 135,558
Average total assets	\$ 18,250,719	\$ 17,865,574	\$ 14,675,584	\$ 11,573,406	\$ 11,257,207	\$ 15,604,801	\$ 10,667,670
Adjusted ROAA - pre-tax pre-provision	1.63%	1.43%	1.39%	1.34%	1.57%	1.46%	1.27%

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

*Coverage of credit loss reserves for loans and leases held
for investment, excluding PPP*
(\$ in thousands)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Loans and leases receivable	\$ 12,136,733	\$ 12,664,997	\$ 12,032,874	\$ 7,353,262	\$ 7,318,988
Loans receivable, PPP	(4,561,365)	(4,964,105)	(4,760,427)	-	-
Loans and leases held for investment, excluding PPP	<u>\$ 7,575,368</u>	<u>\$ 7,700,892</u>	<u>\$ 7,272,447</u>	<u>\$ 7,353,262</u>	<u>\$ 7,318,988</u>
Allowance for credit losses on loans and leases	\$ 144,176	\$ 155,561	\$ 159,905	\$ 149,283	\$ 56,379
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.90%	2.02%	2.20%	2.03%	0.77%

Core Assets
(\$ in thousands)

	Q4 2020
GAAP - Total assets	\$ 18,439,248
Reconciling items:	
Loans receivable, PPP	(4,561,365)
Goodwill and other intangibles	(14,298)
Core assets	<u>\$ 13,863,585</u>

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

Total loans and leases, excluding PPP

(\$ in thousands)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Total loans and leases	\$ 15,832,251	\$ 16,605,279	\$ 15,290,202	\$ 10,321,431	\$ 10,051,074
PPP loans	(4,561,365)	(4,964,105)	(4,760,427)	-	-
Loans and leases, excluding PPP	<u>\$ 11,270,886</u>	<u>\$ 11,641,174</u>	<u>\$ 10,529,775</u>	<u>\$ 10,321,431</u>	<u>\$ 10,051,074</u>

Adjusted Non-performing Assets to Total Assets

(\$ in thousands)

	Q4 2020
Non-performing assets	\$ 71,175
Collateral dependent loan sold in January 2021	17,251
Adjusted non-performing assets	<u>53,924</u>
Total assets	\$ 18,439,248
Adjusted non-performing assets to total assets	0.30%

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

Tangible Book Value per Common Share - Customers Bancorp

(\$ in thousands, except per share data)

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>
GAAP -Total shareholders' equity	\$ 1,117,086	\$ 1,051,491	\$ 1,007,847	\$ 964,636	\$ 1,052,795
Reconciling items:					
Preferred stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible common equity	<u>\$ 885,317</u>	<u>\$ 819,583</u>	<u>\$ 775,801</u>	<u>\$ 732,295</u>	<u>\$ 820,129</u>
Common shares outstanding	31,705,088	31,555,124	31,510,287	31,470,026	31,336,791
Tangible book value per common share	\$ 27.92	\$ 25.97	\$ 24.62	\$ 23.27	\$ 26.17

Reconciliation of Non-GAAP Measures – Unaudited (Cont.)

Tangible Equity

(\$ in thousands)

	Q4 2020
GAAP - Total shareholders' equity	\$ 1,117,086
Reconciling items:	
Goodwill and other intangibles	(14,298)
Tangible equity	<u>\$ 1,102,788</u>

Tangible Equity to Tangible Assets, excluding PPP loans

(\$ in thousands)

	Q4 2020	Q4 2019
GAAP - Total assets	\$ 18,439,248	\$ 11,520,717
Reconciling items:		
Goodwill and other intangibles	14,298	15,196
PPP loans	4,561,365	-
Total tangible assets, excluding PPP	<u>\$ 13,863,585</u>	<u>\$ 11,505,521</u>
GAAP - Total shareholders' equity	\$ 1,117,085	\$ 1,052,794
Reconciling items:		
Goodwill and other intangibles	14,298	15,196
Total tangible equity	<u>\$ 1,102,787</u>	<u>\$ 1,037,598</u>
Tangible equity to tangible assets, excluding PPP loans	7.95%	9.02%

Tangible Common Equity to Tangible Assets,

Excluding PPP - Customers Bancorp

(\$ in thousands)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
GAAP - Total shareholders' equity	\$ 1,117,086	\$ 1,051,491	\$ 1,007,847	\$ 964,636	\$ 1,052,795
Reconciling items:					
Preferred stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
Tangible common equity	<u>\$ 885,317</u>	<u>\$ 819,583</u>	<u>\$ 775,801</u>	<u>\$ 732,295</u>	<u>\$ 820,129</u>
GAAP - Total assets	\$ 18,439,248	\$ 18,778,727	\$ 17,903,118	\$ 12,018,799	\$ 11,520,717
Reconciling items:					
Goodwill and other intangibles	(14,298)	(14,437)	(14,575)	(14,870)	(15,195)
PPP loans	(4,561,365)	(4,964,105)	(4,760,427)	-	-
Tangible assets	<u>\$ 13,863,585</u>	<u>\$ 13,800,185</u>	<u>\$ 13,128,116</u>	<u>\$ 12,003,929</u>	<u>\$ 11,505,522</u>
Tangible common equity to tangible assets	6.39%	5.94%	5.91%	6.10%	7.13%

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